

Markets

SFE 200 Futures (9.30am AEST)	7205	25	0.4
NZX 50	12701	17	0.1
DJIA Futures	34520	6	0.0
S&P 500 Futures	4311	0.5	0.0
NASDAQ Futures	14538	-10	-0.1

Local Markets Commentary

The Australian market opens Friday trade with material domestic data due by late morning, a swag of new domestic listings, and Covid-19 containment progress in focus, ahead of influential data tonight from the US, which is heading into a Monday public holiday weekend.

Overnight international equities trade proved ultimately positive.

Locally today, the Australian Bureau of Statistics (ABS) reports May **lending** indicators, including residential, business and investment **property** finance, 11.30am AEST.

National Cabinet is meeting again to discuss **Covid-19 management** arrangements.

Hence, another statement from the PM is anticipated this afternoon.

Also today, five companies are scheduled to complete **ASX listings** and one to commence independent trade following a demerger.

Post-ASX trade, the Reserve Bank of Australia (RBA) releases weekly liabilities and assets, plus a monthly liabilities and assets statement.

Regionally this morning, **South Korea** has already reported 0.1% June **deflation**. The June CPI was 2.4% higher than for June 2020, however.

This from 0.1% growth during May and a 2.6% increase on May 2020.

In overnight commodities trade, **oil** picked up the pace of Wednesday's gains.

US **gold** futures continued modestly higher.

Qingdao **iron ore** (CFR China, 62% fines) rose a further \$US5.24/t to \$US219.32/t.

Nymex iron ore (CFR China, 62%) turned lower, to close slightly below \$US214.60/t.

LME **copper** swung lower. **Nickel** and **aluminium** continued variously so.

The **\$A** declined to ~US74.70c after trading at ~US74.85c early yesterday evening.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	34634	131	0.4
S&P 500	4320	22	0.5
NASDAQ	14522	18	0.1

* H2O treatment / resource recovery demerger commencement – **10.30am AEST – CNQ ***

* Online betting listing – **11am AEST – BBT ***

* Gold & copper producer listing – **midday AEST – 29M ***

* Mineral exploration listing – **12.30pm AEST – LDR ***

* Uranium exploration listing – **1pm AEST – NXG ***

* Gas exploration listing – **1.30pm AEST – TBN ***

Today's Stock Watch
Imugene Ltd (IMU)

US FDA investigational new drug approval in hand for cancer research and treatment centre City of Hope to initiate a phase one clinical trial of the potential oncolytic virotherapy CHECKvacc. The IMU-City of Hope trial will focus on patients diagnosed with triple-negative breast cancer.

IDP Education (IEL)

Planning to outlay £130M for the British Council's IELTS (English language testing) operations in India. IEL will fund the purchase from existing cash and debt. IEL already offers IELTS tests across India. Presentation lodged post-trade yesterday.

Cyclopharm Ltd (CYC)

Anticipating 45% higher, \$8.1M 1H 2021 revenue. CYC also expects to pay a 0.5c interim dividend. ~\$30M net cash.

SeaLink Travel Group (SLK)

SLK has completed its minimum \$84.7M acquisition of Go West Tours. Earn-outs of up to \$25M may become payable. SLK has outlaid a further \$A3.8M for three strategic property assets from a related Go West Tours entity.

Codan Ltd (CDA)

CDA has completed the \$US14M sale of subsidiary Minetec to Caterpillar Holdings Australia. CDA may receive volume-based earn-outs over the next five years.

BWX Ltd (BWX)

BWX has completed its \$27.9M acquisition of online vegan, ethical and sustainable-focused retail company Flora & Fauna.

Resources
Chalice Mining (CHN)

Julimar project Gonneville PGE-Ni-Cu-Co-Au deposit step-out and resource definition drilling has returned additional high-grade and/or significant width assays. Seven drill rigs onsite.

Piedmont Lithium (PLL)

Outlaying \$15M for 9.47% of IronRidge Resources (IRR). Also planning to earn 50% of IRR's Ghana lithium assets via staged exploration and development expenditure.



FTSE 100	7125	88	1.3
DAX 30	15604	73	0.5
Shanghai Comp	3589	-2	-0.1

Overseas Markets Commentary

Major European, UK and US equities markets opened higher overnight and despite some vacillations, achieved positive settlements also, the DJIA and S&P 500 closing at session highs.

Investor considerations included key data releases, new growth forecasts, further major central bank commentary and ongoing Covid-19 containment concerns.

The International Monetary Fund (IMF) raised its 2021 **US GDP forecast** significantly, from the 4.6% growth predicted in April to 7.0%.

Bank of England (BoE) governor Andrew Bailey assured the central bank was still anticipating **inflation** increases through 2021, citing several causes, but that these could be managed and were still considered temporary.

This came a day after BoE chief economist ventured 4.0% inflation growth by year's end.

Mr Bailey conceded, however, that if supply chain 'bottlenecks' did not resolve and if pent-up demand remained high, the UK's CPI index could keep rising beyond the current predicted timeframe.

Across the channel, the **European Central Bank** (ECB) revealed it was planning to lift a cap on **bank dividends and share buy-backs** across the euro zone at the end of the September quarter.

ECB president and European Systemic Risk Board (ESRB) chair Christine Lagarde added the ESRB would recommend easing restrictions on bank capital restrictions, given reduced risk of severe economic setbacks.

The Organisation for Economic Co-operation and Development (OECD) revealed 130 countries, including all G20 nations, had supported the proposed 15% minimum global **corporations tax**.

In the meantime, the US House of Representatives approved legislation covering a proposed \$US715B infrastructure spend. Final agreement on a broad package is not anticipated prior to September, however.

For its part, the World Health Organisation (WHO) issued a warning regarding Covid-19 case increases in Europe, as crowds continued to support major sporting events.

Indonesia had earlier announced lockdown measures covering Java and Bali, and the UK continued to report rising Covid-19 case numbers.

In overnight **data** releases, final June manufacturing PMIs for the **euro zone** and **UK** mostly remained robust and/or exceeded forecasts.

The euro zone's May unemployment rate eased 0.2% to 7.9%, in line with expectations.

Germany's May retail sales improved 4.2% for the month, following a 6.8% April tumble, but forecasters had anticipated a 5.1% rise.

Against May 2020, sales were 2.4% lower, following a 5.1% April climb and forecasts of a new 6.3% annual jump.

In the **US**, weekly new unemployment claims tallied 364,000,

Pre-Open Announcements

Clean TeQ Water (* CNQ) / Sunrise Energy Metals (SRL)

Water treatment and resource recovery specialist CNQ will commence ASX trade **10.30am** AEST.

CNQ has been demerged from SRL.

44.666M quoted shares.

BlueBet Holdings (* BBT)

Online betting service scheduled to list on the ASX **11am** AEST, following an \$80M IPO at \$1.14 per share.

200.11M quoted shares.

Washington H Soul Pattinson & Company (ASX: SOL) holds 1.096%.

Beam Communications (* BCC)

Record 7500-unit order in hand for portable satellite hotspot Iridium GO! BCC expects to deliver 5000 during FY22.

AMA Group (* AMA)

Restructure plans, with associated appointments (COO and CCO) and promotions, lodged pre-trade.

PEXA Group (* PXA)

Online property settlement company completed its ASX listing yesterday, following a \$1.175B IPO at \$17.13 per share.

Opened at \$17.00 and traded at \$16.40 - \$17.39 before settling at \$17.15.

~2.78M shares changed hands across 4120 transactions.

Trading commenced on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence 5 July (Monday).

177.326M quoted shares.

The a2 Milk Company (* A2M)

A2M has appointed recent Australia & New Zealand Banking Group (ASX: ANZ) consumer marketing director Edith Bailey as chief marketing officer.

Lumos Diagnostics Holdings (* LDX)

Point-of-care diagnostic testing and analysis specialist scheduled to list on the ASX 12.30pm AEST **Monday**, following a \$63M IPO at \$1.25 per share.

150.15M quoted shares.

Planet Innovation Holdings holds 26.72%; RPS Diagnostics holds 10.42%.

Dexus Property Trust (DXSDB) / Dexus (DXS)

DXSDB commenced ASX trade yesterday.

Opened 57c lower than DXS's Wednesday close and slipped further to \$9.51 before settling back at \$10.65, just 2c lower than the Wednesday close.

Each DXSDB security comprises one unit in a newly established Dexus Property Trust (DPT) and one Dexus Operations Trust (DXO) unit.

The DXS stapled securities have previously comprised one unit



against expectations of 370,000 and following 415,000 the previous week.

A June job cuts report estimated 20,476 anticipated job losses, following 24,586 for May and forecasts of a further 30,000 lost positions.

The ISM's June manufacturing activity index was estimated at 60.6 from 61.2 for May.

Among the sub-component indices, prices rose to 92.1 from 88 and employment fell one point to 49.9

May US construction spending was reported 0.3% lower, after a 0.1% April gain and expectations of a 0.6% increase.

Meanwhile, a 10-year government bond auction hosted by Japan mid-afternoon (AEST) yesterday produced a 0.058% yield from 0.078%.

France also conducted a 10-year government bond auction, the yield coming in at 0.13% from 0.16%.

Tonight in the **US**, June employment statistics, including the number of jobs created, are keenly anticipated. May trade figures will also be analysed closely, and May factory orders may also influence.

Elsewhere, euro zone producer prices are likely to attract additional CPI commentary.

US markets will be closed Monday, due to a public holiday weekend in commemoration of the 4 July Independence Day.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1776.8	oz	5.2	0.3
Silver (NY) (Sep)	26.145	oz	-0.05	-0.2
Gold (LON)	1763	oz		
Platinum	1078	oz	14	1.3
WTI Crude (NYMEX Jul)	75.23	bbbl	1.76	2.4
Brent Crude (ICE EUR Sep)	75.84	bbbl	1.22	1.6
Iron Ore (NYMEX,CHN,62%)	213.59	t	-0.96	-0.5
Copper (LME Ind)	9337	t	-39	-0.4
Nickel	18190	t	-29	-0.2
Aluminium	2511	t	-9	-0.4
Lead	2239	t	-35	-1.6
Zinc	2935	t	-41	-1.4
Tin	31290	t	40	0.1

Commodities Commentary

Oil – prices for both Brent and WTI crude rallied overnight, but closed off session highs.

OPEC and OPEC+ pushed back meetings scheduled for overnight until tonight.

Reports claimed influential members including Saudi Arabia and Russia were pushing to ease curbs by up to a further 2MMbbl/d for August – December, and to continue to ease until the end of 2022, but that the United Arab Emirates opposed this.

Earlier expectations had been for just 400,000bbl/d to be added to markets.

Tuesday, an OPEC+ technical committee had ventured 6MMbbl/d 2021 international oil demand growth, but had warned outbreaks

each of DXO, the Dexus Diversified Trust (DDF), the Dexus Industrial Trust (DIT) and Dexus Office Trust (DOT).

Under a change approved 22 June, DPT now comprises DDF, DIT and DOT.

Hence, the new DXSDB is essentially the current DXS, performing the same DXS operations, but under a new stapled securities structure.

DXSDB trading commenced on a deferred settlement basis.

Once normal (T+2) trade commences, expected 7 July, the ASX code will be DXS.

Resources

29Metals Ltd (* 29M)

Gold and copper producer and broader minerals explorer scheduled to list on the ASX **midday** AEST, following a \$527.79M IPO at \$2.00 per share.

Trading will commence on a conditional and deferred settlement basis.

Normal (T+2) trade is expected to commence 7 July (Wednesday next week).

Assets include the WA Golden Grove, Queensland Capricorn Copper and Chile Redhill projects.

480.455M quoted shares.

Lode Resources (* LDR)

Mineral explorer scheduled to list on the ASX **12.30pm** AEST, following a \$5.115M IPO at 20c per share.

35.936M quoted shares.

Reward Minerals (RWD)

CEO Greg Cochran has resigned, effective yesterday, in favour of other interests.

RWD executive director Michael Ruane will take on CEO duties while a new CEO is appointed.

Alto Metals (AME)

WA Sandstone gold project Vanguard prospect step-out drilling results, indicating continuity of mineralisation, lodged post-trade yesterday.

Three rigs (two RC and one diamond) are continuing Sandstone drilling programs.

Dacian Gold (DCN)

DCN's recent 28c-per-share SPP raised \$3.7M before costs.

DCN has traded at 25.5c - 28.5c to date this week.

Australian Rare Earths (* AR3)

Mineral explorer completed a stellar ASX listing yesterday, following a \$12M IPO at 30c per share.

Opened at 40c and was pushed to 60c before settling at 55c.

4.59M shares were traded across 684 transactions.

44.78M quoted shares.

Ozz Resources (* OZZ)

Mineral explorer scheduled to list on the ASX **midday** AEST

Monday, following a \$5M IPO at 20c per share.



of new Covid-19 variants added significant uncertainty, and that a crude surplus could be likely in 2022.

A weekly US petroleum drill rig count is due tonight.

Gold – overnight price gains were mostly attributed to funds adjusting their investments as the September quarter commenced.

Tonight's trade is expected to be influenced, at least in part, by monthly US employment statistics.

Base metals – overnight trade was influenced by a cocktail comprising a remaining strong \$US (initially at three-month peaks), a manufacturing PMI estimate for China, inventories updates, and new quarter funds' buying adjustments.

Caixin's 51.3 June manufacturing PMI for **China**, reported yesterday, undershot expectations following May's 52.0 and forecasts of 51.8 – 51.9.

Among the stockpile figures, *lead* inventories were reported 36% lower than at mid-March, at 80,250t.

Some of tonight's trade could be influenced by the US heading into a Monday public holiday weekend.

Caixin's June services sector activity index for China is due Monday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7466	-0.0018	-0.24
EUR – USD	1.1845	0.0001	0.01

Australian Data Today

ABS	Lending indicators	May
RBA	Liabilities & assets statement (4.30pm AEST)	Jun

US Data Tonight

Workforce (including jobs, wages, unemployment)	Jun
Trade balance	May
Factory orders	May

Other Overseas Data Today & Tonight

Euro zone	Producer prices	May
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26.96M quoted shares.

Energy

Tamboran Resources (* TBN)

Gas exploration company scheduled to list on the ASX **1.30pm** AEST, following a \$61M IPO at 40c per share.

422.33M quoted shares.

Longview Petroleum Llc holds ~21.86%; BP-PE3 Llc holds ~18.69%.

NexGen Energy (Canada) (* NXG)

Uranium explorer scheduled to list, as foreign exempt, on the ASX **1pm** AEST, following a \$2.24M IPO at \$5.60 per CDI.

400,000 common shares to be settled in the form of CDIs.

Trading Halts

Company	Code	Resuming
Agua Resources	AGR	2 Jul
AVZ Minerals	AVZ	2 Jul
Kinetiko Energy	KKO	2 Jul
Novatti Group	NOV	2 Jul
BTC Health	BTC	5 Jul
Maas Group Holdings	MGH	5 Jul
Ragusa Minerals	RAS	5 Jul
Sacgasco Ltd	SGC	5 Jul
Thorney Technologies	TEK	5 Jul
Traka Resources	TKL	6 Jul

Suspensions (select)

Company	Code	Since
Mineral Commodities	MRC	29 Jun
Proteomics International Laboratories	PIQ	29 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
TGA	Today	1	100	0.00
CAM	Mon	1.25	100	4.74
MEC	Mon	2.5	100	1.98
SGLLV	Tue	33	100	4.66
CKF	Wed	12.5	100	1.91
GNC	Wed	8	100	1.37
TRA	13 Jul	5.63	85	6.54



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