

Markets

SFE 200 Futures (9.30am AEST)	6048	35	0.6
NZX 50	11595	92	0.8
DJIA Futures	25762	3	0.0
S&P 500 Futures	3130	1	0.0
NASDAQ Futures	10355	0	0.0

Local Markets Commentary

The Australian market commences Friday trade with key regional and domestic data due, mostly by late morning, as the US commences a public holiday following a batch of positive overnight data releases.

Regionally today, Caixin is due to reveal its June services PMI for China 11.45am AEST.

A services PMI is anticipated for **Japan 10.30am.**

Locally today, AiG has reported a 35.5 June construction sector activity index (PCI), decidedly contractionary, but representing a notable improvement on May's 24.9.

The Australian Bureau of Statistics (ABS) publishes May retail sales 11.30am AEST.

In overnight commodities trade, **oil** extended Wednesday's gains.

US **gold** futures (August) turned higher.

Iron ore (Nymex CFR China, 62% Fe) swung higher, approaching \$US98.95/t.

LME **copper** and **nickel** continued to gain.

The **\$A** fell to US69.15c after trading at ~US69.30c early yesterday evening.

This morning, the **\$A** again approached US69.30c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25827	92	0.4
S&P 500	3130	14	0.5
NASDAQ	10208	53	0.5
FTSE 100	6240	82	1.3
DAX 30	12608	348	2.8
Shanghai Comp	3091	65	2.1

Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight, following early buoyant sentiment.

Key US indices settled at or near session lows however, prior to heading into a Friday public holiday long weekend, after an initial decisive jump on positive economic indicators.

Several reports quoted calls from health and administrative personnel for caution in the face of increasing daily Covid-19

Australia – construction sector activity index – 35.5

Australia #2 - May retail sales – 11.30am AEST

China – Caixin services PMI – 11.45am AEST

Today's Stock Watch

Cochlear Ltd (COH)

The US FDA has approved four new 'Nucleus' products. Details lodged this morning.

Lovisa Holdings (LOV)

Domestic and international LOV stores have reopened, with the exception of those in Spain, where LOV has decided not to continue.

Associated FY20 impairments and provisions are expected to tally ~€2M.

\$A21M net cash at 30 June, following \$A13M at 31 December 2019 and \$A11M at 30 June 2019.

LOV is also reporting the resignation of director John Armstrong, effective today.

LOV recouped 5.53% yesterday, settling at \$6.11.

Adbri Ltd (ABC)

Alcoa of Australia has decided not to renew ABC subsidiary Cockburn Cement's lime supply contract which expired Tuesday.

ABC says this contract has recently realised ~\$70Mpa revenue, but that overall annual revenue is not expected to be materially impacted.

ABC also notes Cockburn Cement has been an Alcoa of Australia supplier for ~50 years.

Charter Hall Retail REIT (CQR) / Primewest Ltd (PWG)

CQR 50%-held Retail Partnership No1 JV has settled the sale of Pemulwuy Marketplace and secured a contract to sell the West Ryde Marketplace to PWG.

The sales have been achieved for a combined \$91.5M.

CQR plan to lodge full year results 13 August.

Resources

Rio Tinto (RIO)

An updated Oyu Tolgoi project feasibility, including a new mine design, is being submitted to Mongolian government authorities.

In addition, new estimates for Hugo Dummett North and Hugo Dummett North Extension resources and reserves have been lodged pre-trade.



positive test tallies. California in the meantime reintroduced some social and entertainment restrictions.

Among a plethora of overnight **data** releases, **US** June employment figures included the creation of a record 4.8M jobs, a 2.2% fall in the unemployment rate to 11.1%, and a 61.5% participation rate, from 60.8%.

Average earnings were estimated 5% higher year-on-year and 1.2% lower for the month.

Weekly new unemployment claims (to 27 June) in the meantime rose by 1.43M, against expectations of 1.36M.

The June trade deficit came in at \$US54.6B, from \$US49.8B for May. Regionally, ISM's New York business activity index improved to 39.5 from 19.5.

National factory orders were calculated to have risen 8% during May after tumbling 13.5% in April.

Earlier, **euro zone** May unemployment was estimated at 7.4%, from 7.3% for April. **Italy's** May unemployment rose to 7.8% from 6.6%.

Euro zone May producer prices were estimated 0.6% lower for the month and down 5% from a year earlier.

In the meantime, a **UK** five-year treasury gilt auction produced a -0.033% yield, against +0.037% previously.

A Bank of England financial stability update plus services sector activity updates for the UK and euro zone are scheduled for release **tonight**.

In overnight corporate news, two **UK restaurant chains** – Bella Italia and Café Rouge – entered administration.

In the US, **Exxon Mobil** joined other major petroleum companies in warning of large write-downs ahead of an anticipated quarterly loss.

NB: US markets will not trade tonight for an Independence Day holiday, ahead of the 4 July anniversary tomorrow.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1790	oz	10.1	0.6
Silver (NY) (Sep)	18.322	oz	0.1	0.6
Gold (LON) (30 Jun)	1768	oz		
Platinum	801	oz	-9	-1.1
WTI Crude (NYMEX Aug)	40.65	bbl	0.83	2.1
Brent Crude (ICE EUR Sep)	43.14	bbl	1.11	2.6
Iron Ore (NYMEX,CHN,62%)	98.94	t	0.93	0.9
Copper (LME,3mth Ind,PM)	6092	t	52	0.9
Nickel	12945	t	80	0.6
Aluminium	1624	t	2	0.1
Lead	1776	t	-0.5	-0.0
Zinc	2043	t	-3	-0.2
Tin	16865	t	115	0.7

Commodities Commentary

Oil – overnight sentiment, in part based on upbeat US employment figures, pushed WTI and Brent crude to their highest settlements in ~four months.

Pre-Open Announcements

Fisher & Paykel Healthcare (FPH)

Trading ex-dividend (18.24c) Monday.

FPH settled at \$32.40 yesterday, after closing out last week at \$29.63 and announcing full year results this past Monday.

Iress Ltd (IRE)

IRE product executive Aaron Knowles will step down next month, at his request.

Mr Knowles will take leave until the commencement of 2021 before assuming a non-executive role with IRE.

Spectur Ltd (SP3)

Positive cash flow achieved for the June quarter, boosted by government support.

Revenue is estimated at \$1.05M, against \$1.13M for the March quarter.

\$1.618M cash as at 30 June. Nil bank debt.

In addition, STA6 surveillance platforms have commence field trials, with initial deliveries anticipated later this month.

Trials are pending in New Zealand where SP3 has secured a MoU with systems integrator Deus Ex.

SP3 called a trading halt post-trade yesterday.

BetMakers Technology Group (BET)

Heralding the commencement of the New Jersey, US Monmouth Park thoroughbred racing season.

Infigen Energy (IFN)

Officially recommending shareholders accept the Iberdrola Renewables Australia 89c-per-security offer, in the absence of a superior proposal.

IFN has traded on the ASX at 90c – 94c for the week to date.

Resources

Element 25 (E25)

Resuming from a trading halt with positive indications for the potential production of high-grade manganese concentrate from the WA Butcherbird manganese project.

Supporting statistics lodged this morning.

Hawkestone Mining (HWK)

HWK has boosted total land holdings for the Utah, US Western Desert gold-copper project to 25.41sq km.

HWK settled at 1.5c yesterday, following a Lone Pine project regional acquisition announcement.

HWK closed out last week at 1.1c.

Blaze International (BLZ)

BLZ has secured an option to acquire three WA exploration licences immediately south of Mt Magnet and north of BLZ's Kirkalocka tenement.

Pending BLZ exploration outcomes for the licences over the next nine months, BLZ will pay \$1M and 7.5M BLZ shares to hold the licences 100% and will also grant a 2% net smelter royalty.



Also overnight, OPEC's basket oil price was recorded at \$US42.66/bbl, up 12% for the day, and above \$US40/bbl for the first time in ~four months.

Meanwhile, a weekly US petroleum drill rig count, published overnight, included three fewer operational oil rigs, lowering the oil rig count to 185.

No official settlement will be recorded for tonight's limited US electronic trade, due to the US Independence Day holiday. In addition, the Brent ICE Futures Europe trade session will be shorter than usual.

Gold – prices swung overnight, amid a batch of material US data releases, including record monthly job creation.

Ultimate futures gains were attributed to concerns at growing Covid-19 cases, in particular in the US, underscoring the Federal Reserve's repeat comments earlier this week that this year's additional support measures were likely to be needed for some time.

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Base metals – overnight LME trade appeared mostly influenced by further signs of growing demand, ongoing reduced supply from major copper producer Chile, US employment statistics and geopolitics.

Among the producers, BHP announced it would wind down operations at the Cerro Colorado copper project, Chile.

In China, smelter operators Jiangxi Copper and Tongling Nonferrous were revealed to have secured copper concentrate supply agreements with Antofagasta for January – June 2021.

China's Caixin June services PMI is anticipated today, plus services sector activity updates for Japan, the UK and eurozone through tonight.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6924	-0.0002	-0.03
EUR – USD	1.1239	0.0000	0.00

Australian Data Today

AiG	PCI	Jun
ABS	Retail sales	May
FCAI	New vehicle sales	Jun

Other Overseas Data Today & Tonight

China	Caixin services PMI	Jun
Japan	Services PMI	Jun
UK	BoE financial stability	Jun
UK	Services PMI	Jun
UK	GfK consumer confidence (final)	Jun
Germany	Services PMI	Jun
Euro zone	Services PMI	Jun

BLZ has traded higher the past three sessions, settling at 2.5c yesterday and trading as high as 2.7c intra-session.

BLZ closed out the previous two weeks at 1.5c.

Jupiter Mines (JMS)

Marketing executive Johan Kriek has stepped down from his JMS role. JMS marketing and sales team member Tracey Booth will take over from Mr Kriek.

Energy

Resource Generation (* RES)

Resuming from a trading halt with a Boikarabelo coal project funding update.

Whitebark Energy (WBE)

WBE subsidiary Salt Bush Energy has secured a 100% holding in three key areas of the Wizard Lake oilfield, Canada.

Details lodged this morning.

Trading Halts

Company	Code	Resuming
AIC Mines	A1M	3 Jul
Amplia Therapeutics	ATX	3 Jul
Avenira Ltd	AEV	3 Jul
Discovex Resources	DCX	3 Jul
Electro Optic Systems Holdings	EOS	6 Jul
Euro Manganese	EMN	6 Jul
GBM Resources	GBZ	6 Jul
Mandrake Resources	MAN	6 Jul
Manhattan Corporation	MHC	6 Jul
Red Mountain Mining	RMX	6 Jul
Black Rock Mining	BKT	7 Jul
Carbonxt Group	CG1	7 Jul
Gage Roads Brewing	GRB	7 Jul
GTI Resources	GTR	7 Jul
Hydrix Ltd	HYD	7 Jul
Marquee Resources	MQR	7 Jul
Zenith Minerals	ZNC	7 Jul
Matador Mining	MZZ	8 Jul
Neurotech International	NEU	8 Jul
Spectur Lrd	SP3	9 Jul

Suspensions (select)

Company	Code	Since
9 Spokes International	9SP	30 Jun
Cougar Metals	CGM	1 Jul
Freedom Foods Group	FNP	26 Jun
Tilt Renewables	TLTDA	2 Jul

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FPH	Mon	18.24	0	0.35
MTS	Tues	6.5	100	4.59
SGLLV	Tues	33	100	5.56
AGD	Thu	0.9	0	0.00
MEC	Thu	1	100	2.25
CAM	Fri (10 Jul)	1.05	100	6.27