

Markets

SFE 200 Futures (9.30am AEST)	6019	31	0.5
NZX 50	11759	103	0.9
DJIA Futures	26239	60	0.2
S&P 500 Futures	3179	7	0.2
NASDAQ Futures	10648	49	0.5

Local Markets Commentary

The Australian market commences today's trade following positive overnight international equities sentiment, with new key domestic data in hand, an appreciating \$A, and a Reserve Bank of Australia (RBA) policy meeting from which outcomes will be announced this afternoon.

Locally this morning, AiG has published an underwhelming 31.5 June **services sector activity** index, following 31.6 for May.

The ANZ and Roy Morgan also release their weekly consumer sentiment reading pre-trade.

The **RBA's post-policy meeting statement** is keenly anticipated **2.30pm** AEST.

Also today, **MTS** trades ex-dividend. *Please see p3 for details.*

Regionally today, **China** is scheduled to report June vehicle sales and **Japan** May household spending (pre-ASX trade).

Japan also conducts a 30-year government bond offer.

In overnight commodities trade, WTI and Brent **crude** settled mixed, Brent gaining, but WTI slipping slightly.

US **gold** futures (August) recorded a small gain.

Iron ore (Nymex CFR China, 62% Fe) swung sharply higher, beyond \$US101.50/t.

LME **copper** and other key base metals also rallied.

The **\$A** fell to US69.30c after trading at ~US69.70c early yesterday evening.

This morning, the \$A has traded at US69.80c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26287	460	1.8
S&P 500	3180	50	1.6
NASDAQ	10434	226	2.2
FTSE 100	6286	129	2.1
DAX 30	12733	205	1.6
Shanghai Comp	3333	180	5.7

Reserve Bank of Australia – policy meeting outcomes 2.30pm AEST

Australia – 31.5 services sector activity index, from 31.6

Today's Stock Watch
Downer EDI (DOW)

\$420M worth of new contracts secured with the South Australian Government.

eSense-Lab Ltd (ESE)

Agreement secured with Blue Science Solutions for a minimum \$A3M worth of sanitiser sales in the US over one year, and up to \$A10M over five years, pending renewal.

Australian Ethical Investment (AEF)

Anticipating 41% FY20 underlying PAT growth to \$9.0M - \$9.5M. 13.9% wholesale investor return from the Emerging Companies Fund, after all fees including performance fees.

Afterpay Ltd (APT)

Trading halt called this morning, ahead of a \$650M fully underwritten institutional placement (\$61.75 floor price) and \$150M SPP.

Meanwhile, anticipating \$20M - \$25M FY20 EBITDA, excluding significant items. June quarter underlying sales rose 127% year-on-year to \$3.8B, pushing expected FY20 underlying sales to \$11.1B, representing 112% growth.

June quarter new merchants list also revealed this morning.

In association with the institutional placement, APT co-founders Anthony Eisen and Nicholas will each sell 2.05M APT shares (~10% of their holdings), representing a total 1.5% of APT shares.

Resources
St Barbara (SBM)

FY20 gold production estimated at 381,887oz, boosted by 108,612oz during the June quarter.

\$A406M cash and term deposits.

Alkane Resources (ALK)

FY20 Tomingley gold production tallied 33,507oz, at an estimated \$A1379/oz.

\$A98.4M cash, bullion and listed investments.

Bellevue Gold (BGL)

Initial Bellevue gold project indicated resource estimated at 480,000oz @ 15.5g/t Au. Total resources measure 2.3Moz @ 10.0g/t Au. New drilling is underway.

Significant-width and high-grade assays not yet included in the indicated resource, plus some infill drilling intersections, lodged this morning.



Overseas Markets Commentary

Major European and US equities markets opened firmly higher overnight, amid some encouraging and better-than-anticipated data releases. Despite some vacillations, overall gains never looked threatened.

China's Shanghai, Shenzhen and Hong Kong equities markets had been propelled higher yesterday, rallying almost as much as last week's gain, on encouragement from media reports promoting further market gains.

Among overnight **data** releases, the ISM's 57.1 June **US** services sector activity index exceeded expectations and suggested a decisive return to expansion from May's contractionary 45.4.

The employment component improved to 43.1 from 31.8.

Markit's US June services PMI was finalised at 47.9, from 37.5 for May.

Earlier, the **euro zone's** May retail sales jumped 17.8% for the month, but were 5.8% below those for May 2019.

In April, sales fell 12.1% for the month and represented a 19.0% year-on-year tumble.

The euro zone also reported a June construction PMI which improved to 48.3 from 39.5.

Germany's May factory orders rose 10.4% after dropping 26.2% during April, but forecasters had anticipated a 14.5% rise.

The nation's June construction sector activity index came in at 41.3 from 40.1.

Meanwhile an Ifo survey across business sectors in Germany revealed 21% of survey participants expected their company to struggle to survive the ultimate impacts of Covid-19.

France and **Italy** both recorded expansionary construction PMIs, at 53.8 and 51.6 respectively.

France's May retail sales bounced 19.6% for the month, after diving 19% in April, but were 12% lower than for May 2019.

April retail sales were 30.1% down from a year earlier.

In the **UK**, the June construction PMI surprised well on the upside, at a decidedly expansionary 55.3 from 29.8 in May.

June new car sales were estimated 34.9% lower than for June 2019 after an 89% year-on-year dive in May.

In the meantime, China denounced the UK's stance on last week's introduction of national security legislation for Hong Kong.

Tonight in the **US**, a May job openings report, June total vehicle sales and July economic optimism index are due.

In addition, four Federal Reserve officials are due to speak publicly, including vice chair Randal Quarles.

Elsewhere, Germany reports May industrial production.

In overnight corporate news, a US District Court order to shut down and drain the controversial Dakota Access **oil pipeline**, following environmental permitting concerns, impacted official line owners and users plus major investment firms and petroleum majors exposed to large investments in the project.

Pre-Open Announcements

Pinnacle Investment Management Group (* PNI)

Five PNI affiliates have earned a combined \$25.8M (gross) in performance fees for the year to 30 June, estimated to benefit PNI's FY20 NPAT by ~\$6.7M.

PNI net return on principal investments is expected to be - \$500,000.

Eden Innovations (* EDE)

Initial significant Australian EdenCrete order in hand, worth \$US65,724.

LBT Innovations (* LBT)

Three-year marketing services agreement secured with Beckman Coulter for Clever Culture Systems' (50% LBT JV) APAS Independence. A soft launch is anticipated by year's end.

Cirrus Network Holdings (* CNW)

Six recently secured product and service contracts are worth a total \$10M.

FlexiGroup Ltd (* FXL)

FXL has appointed former National Australia Bank (ASX: NAB) nab Private customer executive Jason Murray as CFO, to take over from Ross Aucutt 9 July.

Mr Aucutt is retiring from FXL, but will remain as an advisor to the group until early October.

City Chic Collective (CCX)

CCX has appointed Marta Kielich as general counsel and company secretary on the resignation of company secretary Mark Ohlsson.

CCX recouped 5.5% to settle at \$3.06 yesterday after confirming ongoing interest in international growth opportunities.

Resources

Blackstone Minerals (* BSX)

BSX is accelerating Vietnam Ta Khoa nickel-copper-PGE project drilling, having purchased a third diamond drill rig.

Pensana Rare Earths (PM8)

PM8 has commenced trading on the London Stock Exchange main market under the code PRE.

Black Cat Syndicate (BC8)

122,860 shares will be released from voluntary escrow from 25 July.

Trading Halts

Company	Code	Resuming
Cipherpoint Ltd	CPT	7 Jul
GTI Resources	GTR	7 Jul

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1793.5	oz	3.50	0.2
Silver (NY) (Sep)	18.582	oz	0.26	1.4
Gold (LON) (3 Jul)	1773	oz		
Platinum	819	oz	19	2.4
WTI Crude (NYMEX Aug)	40.63	bbl	-0.02	-0.1
Brent Crude (ICE EUR Sep)	43.10	bbl	0.30	0.7
Iron Ore (NYMEX,CHN,62%)	101.54	t	2.60	2.6
Copper (LME,3mth Ind,PM)	6133	t	106	1.8
Nickel	13385	t	390	3.0
Aluminium	1634	t	22	1.3
Lead	1796	t	8	0.4
Zinc	2052	t	17	0.8
Tin	17075	t	235	1.4

Commodities Commentary

Oil – better-than-anticipated economic data releases helped buoy prices in early trade overnight.

Strong support yesterday for China's equities markets also appeared to underpin economic recovery optimism.

In addition, Saudi Arabia was reported to be again lifting crude prices.

Further, a media report confirmed Libya's oil exports remained largely curtailed due to a blockade.

Meanwhile, a court order to close and drain the Dakota Access pipeline, pending a review, spawned more talk of a possible increase in well and field shut-ins. The line reportedly transports up to 500,000bbl of oil each day to Illinois.

Gold – an ultimate overnight gain for Comex futures, despite strong equities support, was mostly attributed to relative \$US weakness, the ICE \$US index down ~0.5% during gold trade.

Base metals – China's demand against likely copper concentrate supply were in focus overnight, with China smelter treatment and refining fees reportedly cut by 3.6% from a year earlier.

Ongoing reports of growing Covid-19 diagnoses in major copper producing nation Chile have continued to push copper prices higher, with overnight LME prices reported at five-month peaks.

A relatively soft \$US and China's stainless steel sector optimism delivered price gains for other metals.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6980	0.0007	0.10
EUR – USD	1.1314	0.0005	0.05

Australian Data Today

AiG	PSI	Jun
ANZ/RoyMorgan	Consumer sentiment	5 Jul
RBA	Policy meeting outcomes	7 Jul
RBA	Card transactions	Jun

Marquee Resources	MQR	7 Jul
Ora Banda Mining	OBM	7 Jul
Zenith Minerals	ZNC	7 Jul
Auteco Minerals	AUT	8 Jul
Bardoc Gold	BDC	8 Jul
Devex Resources	DEV	8 Jul
iSentric Ltd	ICU	8 Jul
Matador Mining	MZZ	8 Jul
thedocyard	TDY	8 Jul
Woomera Mining	WML	8 Jul
Accelerate Resources	AX8	9 Jul
Afterpay Ltd	APT	9 Jul
Spectur Ltd	SP3	9 Jul
Kleos Space	KSS	10 Jul
Mithril Resources	MTH	10 Jul
Six Sigma Metals	SI6	10 Jul

Suspensions (select)

Company	Code	Since
9 Spokes International	9SP	30 Jun
Blossomvale Holdings	BLV	7 Jul
Cougar Metals	CGM	1 Jul
Freedom Foods Group	FNP	26 Jun
Netlinkz Ltd	NET	19 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MTS	Today	6.5	100	4.69
SGLLV	Today	33	100	0.00
AGD	Thu	0.9	0	0.00
MEC	Thu	1	100	1.08
CAM	Fri	1.05	100	4.69

Reports & Events

(selected)

When	Company	Report/Event
Today	APT SFX	Jun Q trading update Jun Q
Thu	CYC	AGM (11.30am)



US Data Tonight

JOLTS job openings	May
IBB/TIPP economic optimism	Jul
Vehicle sales (NB: 10am AEST today)	Jun

Other Overseas Data Today & Tonight

China	Vehicle sales	Jun
Japan	Cash earnings	Jun
Japan	Household spending	Jun
Japan	Leading economic index (3pm AEST)	May
Germany	Industrial production	May

Need More Information?

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