

Markets

SFE 200 Futures (9.30am AEST)	7255	4	0.1
NZX 50	12748	-37	-0.3
DJIA Futures	34774	-2	0.0
S&P 500 Futures	4360	-1	0.0
NASDAQ Futures	14864	-1	0.0

Local Markets Commentary

The Australian market opens mid-week trade with an \$A fall and new domestic and regional data in hand, ahead of a key domestic report this morning, plus material UK data and parliamentary comments from the US Federal Reserve chair tonight.

Locally today, the impacts of the extended Sydney Covid-19 – related lockdown will remain in focus.

Among data releases, Westpac and the Melbourne Institute publish their monthly **consumer sentiment** report, **10.30am** AEST.

In addition, the Australian Bureau of Statistics (ABS) releases the results of their June survey of **Covid-19 impacts** on households.

As the ASX closed yesterday, HIA reported a 14.8% rise in **new home sales** during June, following a 15.2% May increase and forecasts for a new 20% jump.

Regionally today, Tankan indices are anticipated for **Japan**.

Pre-ASX trade, **South Korea** has reported a 14% year-on-year rise in June import prices and 12.7% increase for export prices.

In overnight commodities trade, **oil** rallied.

US **gold** futures posted a slight gain.

Iron ore prices rose for a second consecutive session, Qingdao (CFR China, 62% fines) by US63c/t to \$US218.48/t, and Nymex iron ore futures also to beyond \$US218.00/t.

Yesterday, China's June iron ore imports were reported to have fallen 0.4% for the month, and 12.1% lower year-on-year, to 89.42Mt.

Also overnight, LME **copper** turned to record a slight gain. **Nickel** also seesawed higher, but more so than copper. **Aluminium** swung decidedly higher.

The \$A has fallen below US74.45c after trading at ~US74.85c early yesterday evening.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	34889	-107	-0.3
S&P 500	4369	-15	-0.4
NASDAQ	14678	-56	-0.4
FTSE 100	7125	-0.7	-0.0
DAX 30	15790	-0.9	-0.0
Shanghai Comp	3567	19	0.5

* European lithium exploration listing – 1pm AEST – BMM *

Today's Stock Watch
National Australia Bank (NAB)

Confirming ongoing discussions with Citigroup regarding potentially acquiring Citigroup's Australian consumer business.

humm Group (HUM) / Westpac Banking Corporation (WBC)

In association with HUM's previously-announced agreement with Mastercard, WBC New Zealand will offer the HUM buy now-pay later (BNPL) service bundll on an exclusive basis to customers. WBC NZ will also potentially invest in bundll.

EROAD Ltd (ERD)

Planning to outlay \$NZ157.7M upfront, and a possible additional performance-related \$NZ30.6M, to acquire telematics specialist Coretex. In association, ERD will conduct a \$NZ64.4M placement and \$NZ16.1M placement.

ERD June quarter operational statistics also lodged pre-trade.

Praemium Ltd (PPS)

Record \$41.7B FUA at 30 June. \$1.2B record June quarter inflows. In addition, planning to sell the group's international business, following a review, and the receipt of strong and unsolicited interest from potential buyers.

SkyCity Entertainment Group (SKC) / Fletcher Building (FBU)

New Zealand International Convention Centre completion deadline extension negotiated with the New Zealand government. SKC promises an update 25 August, when the group also plans to lodge full year results.

Resources
Sandfire Resources (SFR)

Unaudited \$813M FY21 sales revenue.

Produced concentrates containing a total 79,845t of copper and 39,459oz of gold at an US81c/lb C1 unit operating cost.

Planning to lodge full June quarter statistics 29 July.

Bellevue Gold (BGL)

Determining a potential lender shortlist after receiving a dozen Bellevue gold project indicative debt funding proposals ranging from \$A170M - \$A289M.

Stage one feasibility estimated capex at \$255M.

BGD held \$94M cash at 30 June.

AngloGold Ashanti (AGG)

Proposing to acquire 100% of 19.5%-held Corvus Gold for \$C4.00 cash-per-share, and, including outstanding options, to pay a total \$US370M.

AGG has submitted a non-binding proposal to Corvus.



Overseas Markets Commentary

Marked choppy trade featured across a majority of major European, UK and US equities markets overnight.

Reporting season in the US featured some relatively strong results from Goldman Sachs and JPMorgan Chase, and a CPI growth estimate overshoot expectations.

This initially propelled the \$US and US bond yields higher, before moderating.

Yesterday, **China** had reported June trade balance, exports and imports which each exceeded expectations.

The rate of export and import increases slowed, however.

Overnight, the **Bank of England** published a financial stability report which included an end to restrictions on bank dividend payments and share buy-backs.

In addition, despite an improved economic outlook of the back of the UK's Covid-19 vaccination program, the bank warned of businesses becoming insolvent as government support is withdrawn, and further debt defaults and increased unemployment should the UK economy pull back.

The bank advised of the need for continued support for businesses and individuals throughout the Covid-19 economic recovery period.

Among overnight **data** releases, **Germany's** June CPI was finalised on par with expectations, at 0.4% growth, following a 0.5% May advance.

Against June 2020, the nation's CPI was up 2.3%.

In the **US**, the June CPI estimate came in at 0.9% growth for the month, following a 0.7% May increase and forecasts of a 0.5% new rise.

Against June 2020, the CPI was 5.4% higher, representing the fastest gain since 2008.

The continued growth was attributed again to ongoing supply constraints and a bounce in prices for goods and services from 2020 early - Covid-19 lows.

NFIB's small business optimism index jumped 2.9 points to 102.5, following expectations of 100.

The June budget statement featured a \$US174B deficit from a \$US132B May shortfall. Forecasters had anticipated an up to \$US245B deficit.

Meanwhile, a US 30-year bond auction produced a 2.000% yield from 2.172% previously.

Tonight in the US, **US Federal Reserve** chair Jerome Powell is scheduled to meet with the US House of Representatives financial services committee.

Among economic reports and data releases, the Fed publishes its district-by-district economic roundup 'beige book' report.

June producer prices are also anticipated, together with weekly mortgage applications.

Elsewhere, the **UK** releases a June **CPI** estimate and **Germany** hosts a 10-year bond auction.

Companies scheduled to report earnings later today and tonight include: ABC-Mart, Bank of America, Blackrock, Citigroup, Delta Airlines, Infosys, Tullow Oil and Wells Fargo.

Pre-Open Announcements

Macquarie Telecom Group (* MAQ)

Applying to build a new (32MW IT load) data centre at the Macquarie Park data centre campus, Sydney.

Targeting planning consents by early-2022.

Phase one of the construction is expected to be completed by the end of 2023.

Harmoney Corp (* HMY)

January – June new customer originations grew 144% year-on-year, to be worth \$NZ96.7M

Repeat originations came in at \$NZ153.7M from \$NZ154.0M.

Total customer originations (new + repeat) grew 29% to \$NZ250.4M.

L1 Long Short Fund (LSF)

The LSF underlying investment portfolio (net fees) returned 72.9% for the year to 30 June, 18.3% for the six months, and 8.8% for the June quarter.

LSF will re-invest performance fees by purchasing LSF shares on-market.

Swift Media (SW1)

Pleading ignorance in response to an ASX price and volume query.

SW1 traded as high as 3.1c yesterday after closing out last week at 2.1c.

The company added 9.52% Monday and settled 21.74% higher yesterday, at 2.8c.

Resources

Balkan Mining & Minerals (* BMM)

Serbia-focused lithium and borate explorer and JDR spin-off and scheduled to list on the ASX **1pm** AEST, following a \$6.5M IPO at 20c per share.

32.5M quoted shares.

Jadar Resources (ASX: JDR) and Sandfire Resources (ASX: SFR) each hold 22.22%.

SFR completed a \$2M cornerstone investment into the IPO, in association with a collaboration agreement.

Industrial Metals (* IND)

Miner and explorer completed a stellar ASX listing yesterday, following a \$5M IPO at 20c per share.

Opened at 30c and traded at 28c – 36c before settling at 35c.

~5.64M shares changed hands across 656 transactions.

27.525M quoted shares.

Nusantara Resources (NUS)

Awak Mas gold project revised DFS figures lodged post-trade yesterday.

IRR has fallen from 45% to 25% and payback risen from 21 months to 36 months.

Capex has increased to \$US233M from \$US172M.



Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1809.9	oz	4	0.2
Silver (NY) (Sep)	26.14	oz	-0.16	-0.4
Gold (LON)	1792	oz		
Platinum	1100	oz	-15	-1.4
WTI Crude (NYMEX Aug)	75.25	bbl	1.15	1.6
Brent Crude (ICE EUR Sep)	76.49	bbl	1.33	1.8
Iron Ore (NYMEX,CHN,62%)	218.26	t	0.93	0.4
Copper (LME Ind)	9413	t	6	0.1
Nickel	18780	t	99	0.5
Aluminium	2541	t	52	2.1
Lead	2312	t	-23	-1.0
Zinc	2938	t	-13	-0.4
Tin	32300	t	226	0.7

Commodities Commentary

Oil – the International Energy Agency’s (IEA) monthly report, published overnight, contained a warning of volatile prices and tightened supply while OPEC+ remained indecisive about a potential further easing of production curbs.

Earlier yesterday, China’s January – June crude imports were reported 3% lower year-on-year, at 10.51MMbbl/d, representing the first decrease for this period since 2013.

A weekly US petroleum inventories report is due **tonight** from government agency the EIA.

An American Petroleum Institute (API) report released overnight, post-US settlement, has estimated a 4.079MMbbl draw on US crude stocks last week.

Gold – gold prices, the \$US and bond yields swung overnight.

US June CPI growth came in stronger than forecast, but traders appeared to follow analysts’ views that the pace of growth had peaked.

In addition, Federal Reserve officials continued to point out their criteria for tightening policy was largely based on sustainable, broad employment growth.

Base metals – overnight trade appeared to react mostly to data.

China’s June **trade** figures, reported yesterday, included a \$US51.53B trade surplus, against forecasts of \$US40B and from \$US45.54B at the end of May.

Exports rose 32.2% after a 27.9% May increase and expectations of a new 24% rise.

Imports rose 36.7%, against 51.1% for May, and following expectations of 32% for May.

In specific metals trade, China’s *copper* imports pulled back for a third consecutive month, this largely attributed to high prices.

Copper products and unwrought copper imports fell 3.9% for the month, and 34.7% year-on-year, to 428,438t.

January-June copper imports declined 1.6%, to 2.79Mt.

China’s January – June *iron ore* imports grew 2.6% year-on-year, to 560.7Mt, but fell 12.1% year-on-year during June, to 89.42Mt.

June *aluminium* and aluminium products exports rose 3.5% for the month and 28.3% year-on-year, to 454,397t.

January – June exports of aluminium and aluminium products

Post-tax NPV (5%) has fallen from \$US517M to \$US383M.

E2 Metals (E2M)

E2M has appointed GBM Resources (ASX: GBZ) executive chair Peter Mullens as a non-executive director, effective immediately.

Mt Monger Resources (* MTM)

Australia-focused mineral explorer scheduled to list on the ASX 12.30pm AEST **tomorrow**, following a \$5M IPO at 20c per share. 27.75M quoted shares.

Trading Halts

Company	Code	Resuming
Caspin Resources	CPN	14 Jul
Cirralto Ltd	CRO	14 Jul
Cokal Ltd	CKA	14 Jul
Field Solutions Holdings	FSG	14 Jul
Frugl Group	FGL	14 Jul
Leaf Resources	LER	14 Jul
Liontown Resources	LTR	14 Jul
NewPeak Metals	NPM	14 Jul
Castillo Copper	CCZ	15 Jul
Tian Poh Resources	TPO	15 Jul

Suspensions (select)

Company	Code	Since
Crater Gold Mining	CGN	9 Jul
Gold Mountain	GMN	21 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
DBF	Tomorrow	6.2	0	0.00
EZL	19 Jul	13.5	100	4.26

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Tomorrow	AST	AGM
	WPL	Jun Q
Fri	RIO	Jun Q
20 Jul	BHP	Jun Q
21 Jul	SYR	Jun Q



were reported 10.7% higher, at 2.62Mt.

China's June quarter GDP, plus June updates for industrial production, fixed asset investment and retail sales are scheduled for release **tomorrow**.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7442	-0.0044	-0.58
EUR – USD	1.1778	-0.0080	-0.67

Australian Data Today

Westpac/MInst	Consumer sentiment	Jul
ABS	Covid-19 household impacts	Jun

US Data Tonight

Producer prices	Jun
Fed Reserve beige book	Jun
MBA mortgage applications	9 Jul

Other Overseas Data Today & Tonight

Japan	Tankan indices	Jul
Japan	Industrial production (final)	May
UK	CPI	Jun
Euro zone	Industrial production	May

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22 Jul	NCM	Jun Q
	STO	Jun Q
23 Jul	MIN	Jun Q
27 Jul	OZL	Jun Q
28 Jul	RIO	Interim
	SBM	Jun Q
29 Jul	CCP	Full year
	FMG	Jun Q
	IGO	Jun Q
	IRE	Investor day
	JHG	Jun Q
30 Jul	FFG	AGM
	ICI	AGM
	OGC	Jun Q
	ORG	Jun Q

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