

Markets

SFE 200 Futures (9.30am AEST)	5775	-181	-3.0
NZX 50	10754	-401	-3.6
DJIA Futures	25363	198	0.8
S&P 500 Futures	3028	18	0.6
NASDAQ Futures	9661	44	0.5

Local Markets Commentary

The ASX was poised for a steady start at the end of the long weekend, taking its cue from Wall Street closing higher in New York overnight.

The Nasdaq and the S&P 500 both set new records and the latest quarterly Rabobank Rural Confidence Survey predicted another good production year ahead for Australia's farming sector.

All eyes are on London where Australia Prime Minister Scott Morrison and his UK counterpart, Boris Johnson, are expected to sign an in-principle free trade deal agreement.

The Nationals have criticised the proposed deal, saying it would worsen Australia's farm labour shortage by an additional 10,000 workers. Britain had initially been reluctant to sign the agreement over beef and lamb import concerns.

Britain wants Australia to abolish a rule for British citizens to extend Australian work visas if they work for 88 days in the agriculture sector.

On the eve of the APPEA Conference, the oil and gas sector's biggest event in Australia, mining magnate Andrew Forrest has stirred up the fossil fuel industry by criticising Santos and Woodside on global warming matters.

Forrest criticised Santos for going ahead with development of the Barossa gas field and said Woodside should not sanction the Scarborough and Pluto LNG expansion project.

In New Zealand data reveals that house prices rose 29.8% year-on-year following a 1.8% rise in May.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	34393	-86	-0.3
S&P 500	4225	7.7	0.2
NASDAQ	14174	105	0.7
FTSE 100	7146	13	0.2
DAX 30	15673	-20	-0.1
Shanghai Comp	3589	-21	-0.6

S&P/ASX indices - quarterly rebalance revealed this morning.
 Please see pp4-5 for details

Today's Stock Watch
Suncorp (SUN)

SWM has announced it could face losses of \$50 million due to severe weather affecting metropolitan and regional Victoria over the weekend.

The insurer had received 3,750 claims for property damage caused by heavy rain, sever wind and flash flooding with further claims expected.

Natural hazard costs for Australia and New Zealand were \$955 million to the end of May, about \$40 million above the \$915m allowance for the year.

Coles (COL)

Macquarie has upgraded Coles to outperform and says it sees upside by normalising consumer behaviour and the easing of movement restrictions.

Data from ABS and ANZ suggesting supermarket sales would return to pre-COVID levels and improved occupancy levels in Sydney and Melbourne have driven the latest positive sentiment.

Qantas (QAN)

Reports reveal that the airline will soon have received \$1.5 billion in government aid through the pandemic with criticism now focusing on a feasible recovery plan moving forward.

Crown Resorts (CWN)

Oaktree Capital Management has modified a proposal to assist Crown Resorts to buy back some or all of its shares held in Consolidated Press Holdings.

Pre-Open Announcements
Archer (AXE)

Will collaborate with the Australian Missile Corporation to support Australia's Sovereign Guided Weapons Enterprise after signing a non-binding agreement letter of intent with the Australian Missile Corporation.

Rea Group (REA)

Has acquired a 34% interest in Simpology, funded from existing cash reserves, for \$15 million and will take two seats on Simpology's board.

Resources
Vango Mining (VAN)

**Overseas Markets Commentary**

The S&P 500 rose 0.2% and the Nasdaq leaps 0.7% to record highs as the Dow Jones fell 0.3% overnight.

Bitcoin hit its highest level in two weeks overnight spurred by MicroStrategy completing a \$500 million offering of junk bonds to buy cryptocurrencies and more commentary by Elon Musk.

Bitcoin traded as high as \$41,046, rising 11% from Friday prices, after MicroStrategy said it had raised \$499 million from bond sales to purchase additional Bitcoin.

Musk said Tesla could again accept Bitcoin for transactions, subject to confirmation of 50% clean energy use by miners to mine the cryptocurrency. This was in reaction to comments from Magda Wierzycka, CEO of South African asset manager Sygnia, accusing the Tesla CEO of market manipulation that should have been investigated by the US Securities and Exchange Commission.

In London the FTSE 100 reached its highest level this year, in spite of the UK Government saying it would delay the lifting of remaining lockdown restrictions.

The DAX 30 was also trading at a record high in Frankfurt, but eased towards the close. Most markets appeared to have dismissed inflation hikes in the US and elsewhere as a temporary issue.

The Bank of Singapore said it would consider slowing quantitative easing in the wake of the US's solid rebound from the COVID pandemic.

Oil continued to rally with Brent hitting \$73.64 per barrel to its highest level since April 2019.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1865.9	oz	-13.7	-0.7
Silver (NY) (Jul)	28.04	oz	-0.11	-0.4
Gold (LON) (10 Jun)	1865	oz	-10	-0.6
Platinum	1167	oz	0.14	0.0
WTI Crude (COMEX Jul)	70.88	bbbl	-0.0	-0.0
Brent Crude (ICE EUR Aug)	73.18	bbbl	0.49	0.7
Iron Ore (NYMEX,CHN,62%)	213.13	t	0.0	0.0
Copper (LME,3mth Ind,PM)	4511	t	0.0	0.0
Nickel	82542	t	-0.1	-1.1
Aluminium	11385	t	0.0	0.2
Lead	9908	t	-0.0	-0.6
Zinc	1367	t	-0.0	-0.4
Tin	31570	t	375	1.2

The miner has raised \$6.1 million for planned exploration and development of its 100% owned Marymia Gold Project in the mid-west region of Western Australia.

Nickel X (NKL)

Has contracted DDH1 Ltd and secured a diamond rig for an early July program at the Fire Dragon Nickel Copper target located in the Albany Fraser Orogen.

CZR Resources (CZR)

Has completed 24 holes for 2,298m of RC drilling on priority targets along the Salt Creek Shear on the Bunddadoo Project in the Gullewa Greenstone Belt in WA's mid-west region.

Sagasco Ltd (SGC)

Has confirmed "excellent" production potential on 13 tested feet of perforations in the Sacramento Basin.

Trading Halts

Company	Code	Resuming
Argonaut Resources	ARE	15 Jun
Cashwerkz Ltd	CWZ	15 Jun
Cobalt Blue Holdings	COB	15 Jun
Global Health	GLH	15 Jun
Leigh Creek Energy	LCK	15 Jun
Metalcity	MCT	15 Jun
Vango Mining	VAN	15 Jun
WT Financial Group	WTL	15 Jun
Firefinch Ltd	FFX	17 Jun
Wingara AG Ltd	WNR	17 Jun

Suspensions (select)

Company	Code	Since
Immuron Ltd	IMC	31 May
Metro Mining	MMI	27 May

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PL8	Today	0.4	100	3.93



Commodities Commentary

Oil – economic recovery timelines, growing Covid-19 numbers across several US States and other key nations, and hence crude demand outlooks, appeared the major influence on overnight trade.

A weekly US petroleum drill rig count is due tonight.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7714	-0.0006	0.08
EUR – USD	1.2121	0.00023	0.00

Need More Information?

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

Reports & Events

(selected)

When	Company	Report/Event
Wed	GEM PPH	Strategy update (1pm)
	PPH	AGM (midday)
Thurs	CGF	Investor Day
	COL	Strategy Day (w/cast from 9am)
Fri	WOW	Demerge meeting (11am)



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