

Markets

| | | | |
|--------------------------------------|-------|------|------|
| SFE 200 Futures (9.30am AEST) | 7232 | -37 | -0.5 |
| NZX 50 | 12647 | -26 | -0.2 |
| DJIA Futures | 34431 | -133 | -0.4 |
| S&P 500 Futures | 4304 | -15 | -0.3 |
| NASDAQ Futures | 14621 | -49 | -0.3 |

Local Markets Commentary

The Australian market opens a new week's trade with domestic and international Covid-19 containment in focus, following an overnight Friday \$A depreciation and negative international equities trade leads.

Since overnight Friday international trade:

- **OPEC+** has agreed on production curbs easing for August through December, and for higher output allowances for several members from May 2022;
- **Tokyo** has reported broadening Covid-19 spread, including within the Olympics athletes' village, and
- Several **UK** Government ministers have commenced isolation after the health secretary contracted Covid-19.

Locally today, no major economic indicators are scheduled for release, but quarterly reporting season ramps further.

In overnight Friday commodities trade, **oil** turned higher, but just slightly so.

US **gold** futures ended the week with a swing lower.

Iron ore prices varied, Qingdao (CFR China, 62% fines) declining UC66c/t to \$US221.43/t, and Nymex iron ore (CFR China, 62% fines) futures continuing to rise, surpassing \$US219.75/t.

LME **copper** rose further, but settled with just a small gain. **Nickel** continued to rally and **aluminium** to fall.

The **\$A** dropped slightly below US74.00c after trading at ~US74.40c early Friday evening, and has fallen below US73.90c this morning.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|------|------|
| Dow Jones | 34688 | -299 | -0.9 |
| S&P 500 | 4327 | -33 | -0.8 |
| NASDAQ | 14427 | -116 | -0.8 |
| FTSE 100 | 7008 | -4 | -0.1 |
| DAX 30 | 15540 | -89 | -0.6 |
| Shanghai Comp | 3539 | -25 | -0.7 |

Overseas Markets Commentary

Early positive sentiment ultimately evaporated across all major European, UK and US equities markets overnight Friday, amid decidedly mixed economic indicator releases.

Increased Covid-19 daily diagnoses, hospitalisations and deaths continued to be reported internationally.

Today's Stock Watch
Telstra Corporation (TLS)

TLS has this morning confirmed it is considering acquiring Digicel Pacific in partnership with the Australian Government. This follows a government request for TLS to provide technical advice regarding Digicel.

Stockland (SGP)

Outlaying \$620M for the Halcyon Group land lease communities business, hence adding 2500 new customers.

Empired Ltd (EPD)

Recommending an agreed \$1.35 cash-per-share offer from Capgemini Australia. EPD traded at 79.5c – 89c last week.

Volpara Health Technologies (VHT)

Collaboration agreement secured with Invitae Corporation, whereby VHT will offer Invitae genetic testing to VHT US customers.

Humm Group (HUM)

57.3% higher year-on-year \$774.9M June quarter transaction volume. BNPL transaction volume grew 68.7% to \$304.9M. In addition, HUM has appointed Willow head of partnerships and CFO Adrian Fisk as CFO, effective today. Former CFO Jason Murray is remaining with HUM until September to assist with the transition.

Dough Ltd (DOU)

Launching the Android app in the Google Play store to US residents, thereby reaching a further 46% of US mobile users.

Resources
Vulcan Energy (VUL)

5000tpa lithium hydroxide off-take agreement secured for one year with LG Energy Solution, followed by 10,000tpa off-take for each of two subsequent years.

Energy
Oil Search (OSH)

Webcast teleconference scheduled to commence midday AEST.

MD Keiran Wulff has resigned for health reasons. OSH has appointed CFO Peter Fredricson as acting CFO.

Cooper Energy (COE)

Produced a record 2.6MMboe during FY21, up 69% for the year.

Sales volumes and revenue records also achieved, respectively 3.0MMboe (up 31%) and \$131.7M (up 69%).

June quarter production fell 14% for the three months, to 0.61MMboe, but sales revenue grew 31% to \$24.1M.

\$127.1M net debt.



England recorded a 42,900 new daily diagnoses average for the week, ahead of the removal of most regulated Covid-19 restrictions today.

Registration, contact tracing and testing will remain mandatory, however.

In the US, Los Angeles County residents prepared for a reintroduction of mask requirements from the weekend.

Friday, the **Bank of Japan's** monetary policy meeting retained status quo for rates and asset purchase.

The central bank revised economic forecasts, however, predicting 3.8% GDP growth for the year to March 2022, against the previous 4.0%.

Expected inflation growth was revised 0.5% higher, to 0.6%, this mostly attributed to higher energy prices.

The Bank also announced an interest-free funding scheme for banks offering loans for 'green' and sustainability-linked programs.

Further, the bank revealed it would purchase green bonds in foreign currencies.

In overnight Friday **data** releases, **euro zone** May trade figures included a €7.5B surplus, against forecasts of €16.4B and following €10.9B at the end of April.

June CPI was finalised as anticipated, at 0.3% growth, as for May.

The June CPI represented 1.9% annual growth.

June domestic vehicle registrations were reported 10.4% greater than for June 2020, following expectations of a 22% increase.

In the **US**, June retail sales surprised on the upside, improving 0.6% for the month, following a 1.7% May drop and forecasts for a new 0.5% decline.

The initial 80.8 July consumer sentiment estimate from the University of Michigan represented 4.7-point fall from the June reading, however.

The current conditions sub-component index came in at 84.5 from 88.6, following forecasts of a much smaller decline, to 88.0.

May business inventories climbed 0.5% for the month, following a 0.1% April increase and expectations of a new 0.2% rise.

Meanwhile, **Russia** reported a 3.9% monthly increase in June producer prices, and 31.1% year-on-year jump.

Tonight in the US, a home builders' housing market index is due.

Companies scheduled to report earnings later today and tonight include: IBM Corp, Prologis and PPG Industries.

| Commodities | | | | |
|----------------------------------|---------------|-------|------|-------------|
| COMMODITY | CLOSE | \$US/ | +/- | % |
| Gold (NY) (Aug) | 1815 | oz | -14 | -0.8 |
| Silver (NY) (Sep) | 25.80 | oz | -0.6 | -2.3 |
| Gold (LON) | 1824 | oz | | |
| Platinum | 1133 | oz | -38 | -3.5 |
| WTI Crude (NYMEX Aug) | 71.81 | bbbl | 0.16 | 0.2 |
| Brent Crude (ICE EUR Sep) | 73.59 | bbbl | 0.12 | 0.2 |
| Iron Ore (NYMEX,CHN,62%) | 218.68 | t | 1.09 | 0.5 |
| Copper (LME Ind) | 9437 | t | 16 | 0.2 |
| Nickel | 18970 | t | 205 | 1.1 |
| Aluminium | 2487 | t | -28 | -1.1 |

Pre-Open Announcements

Range International (* RAN)

Unilever OleoChemicals Indonesia has ordered a further 9472 NP1090 pallets from RAN subsidiary Re>Pal. Unilever had already ordered 28,416 pallets, and reportedly indicates the new order may need to be supplemented from the end of October.

Air New Zealand (* AIZ)

AIZ has appointed Alison Gerry, Claudia Batten and Paul Goulter to the AIZ board, effective on shareholder AGM approval.

Ms Gerry is an Infratil (ASX: IFT), ANZ Bank NZ and Suncorp NZ director.

Ms Batten is Serko chair, the Westpac NZ board's digital advisor and a Vista Group NZ director.

Mr Goulter is NZEI Te Riu Roa (education union) national secretary and a Co-operative Bank director.

Jan Dawson, Rob Jager and Linda Jenkinson are planning to retire from the ANZ board at the AGM.

Adveritas Ltd (* AV1)

Commitments in hand for \$3M worth of shares to be issued at 10c each.

Av1 traded at 9.6c – 10c last week.

Euroz Ltd (EZL)

Trading ex-dividend (13.5c) today.

Fonterra Shareholders' Fund (FSF)

The proposed Fonterra Co-op capital restructure will be revised following feedback from farmers, which to date has directly involved 5000 farmers.

Contact Energy (CEN)

June operational statistics lodged this morning.

Resources

Predictive Discovery (* PDI)

Resuming from a trading halt with significant-width, high-grade results from Guinea Bankan gold project drilling.

Assays lodged pre-trade.

OceanaGold Corporation (* OGC)

January – June gold production tallied 177,039oz at a \$US1227/oz AISC, with 178,781oz sold.

June quarter output came in at 93,848oz at a \$US1226/oz AISC, with 95,934oz sold.

\$US92.3M cash and \$US50.0M in undrawn credit facilities at 30 June.

Planning to lodge audited June quarter results early 30 July AEST (overnight 29 July Canada) and to host a webcast teleconference 7.30am AEST that day.

Infinity Lithium Corporation (* INF)

An appeal against an administrative decision to deny an investigation permit for the San Jose lithium JV has been



| | | | | |
|------|-------|---|-----|------|
| Lead | 2325 | t | -4 | -0.2 |
| Zinc | 3001 | t | 37 | 1.2 |
| Tin | 33460 | t | 340 | 1.0 |

Commodities Commentary

Oil – a \$US appreciation, coupled with international economic recovery fear, and the wait for OPEC+ to decide on the next planned easing of production curbs, constrained overnight Friday gains.

Tonight's trade, however, will react to an overnight (Sunday) OPEC+ agreement to further ease output restrictions, by an additional 2MMbbl/d August through December, ahead of a planned full end to cuts by September next year.

In addition, output quotas were agreed, from May 2022, for several nations, including Iraq, Kuwait, Russia, Saudi Arabia and the UAE.

Friday's gains were in part supported by some better-than-expected US data.

Following a relatively volatile week's trade, Brent crude settled 3% lower for the week and WTI down 4%.

A weekly US petroleum drill rig count, released overnight Friday, included two additional operational oil rigs.

Gold – \$US strength damaged overnight Friday gold sentiment.

This week's trade is expected to swing some on commentary surrounding the European Central Bank (ECB) policy meeting, scheduled for Thursday, and from which a change in the wording of the outcomes statement has already been flagged.

Federal Reserve policy commentary will also remain in focus.

Base metals – overnight Friday trade appeared pushed and pulled by international economic growth uncertainty and anticipated supply constraints.

Nickel continued to rally on a stainless steel price boost.

Further reports of a Myanmar Covid-19 surge exacerbated fears of reduced *tin* supply, initially spawned by Myanmar's political upheaval, a recent Covid-19 – related worsening of international shipping challenges and mandated employee cuts in Rwanda, pushed tin prices towards record peaks overnight Friday.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------|--------|---------|-------|
| AUD – USD | 0.7387 | -0.0011 | -0.16 |
| EUR – USD | 1.1809 | 0.0003 | 0.02 |

US Data Tonight

| | |
|---------------------------|-----|
| NAHB housing market index | Jul |
|---------------------------|-----|

Other Overseas Data Today & Tonight

| | | |
|-----------|---------------------|-----|
| Euro zone | Construction output | May |
|-----------|---------------------|-----|

dismissed.

An administrative-contentious appeal is now planned.

In association, the JV agreement has been revised on favourable terms for INF. Details lodged pre-trade.

Kore Potash (KP2)

CFO Jean Michel Bour has resigned for personal reasons, effective immediately.

KP2 has appointed CFO assistant Amanda Farris as interim CFO.

Mr Bour has agreed to continue with some KP2 duties until 15 August.

Western Mines Group (* WMG)

Mineral exploration company scheduled to list on the ASX 1.30pm AEST **tomorrow**, following a \$5.5M IPO at 20c per share. ~31.66M quoted shares.

Heron Resources (HRR)

Voluntary administrators appointed.

Trading Halts

| Company | Code | Resuming |
|-----------------------|------|----------|
| Aeon Metals | AML | 19 Jul |
| Digital Wine Ventures | DW8 | 19 Jul |
| GBM Resources | GBZ | 19 Jul |
| RareX Ltd | REE | 19 Jul |
| Selfwealth Ltd | SWF | 19 Jul |

Suspensions (selected)

| Company | Code | Since |
|--------------------------|------|--------|
| Cirralto Ltd | CRO | 14 Jul |
| Crater Gold Mining | CGN | 9 Jul |
| Field Solutions Holdings | FSG | 14 Jul |
| Heron Resources | HRR | 16 Jul |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|----------|-------------|--------------|-----------|
| AIQ | Today | 0.34 | 0 | 0.00 |
| EZL | Today | 13.5 | 100 | 4.28 |
| PL8 | Today | 0.45 | 100 | 3.84 |
| TLT | Tomorrow | NZ7.65 | 0 | 0.00 |
| KPG | Wed | 0.36 | 100 | 1.37 |
| MIR | 28 Jul | 8.5 | 100 | 2.59 |
| MIRNA | 28 Jul | 4.25 | 100 | 0.00 |

Reports & Events

(selected; all times AEST)

| When | Company | Report/Event |
|-------|------------|--------------|
| Today | CEN | Jun |

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| | COE | Jun Q |
|-----------------|-----|--------------|
| | HUM | Jun Q |
| Tomorrow | BHP | Jun Q |
| Wed | SYR | Jun Q |
| Thu | NCM | Jun Q |
| | STO | Jun Q |
| Fri | 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 |