

Markets

SFE 200 Futures (9.30am AEST)	6636	-33	-0.5
NZX 50	11248	49	0.4
DJIA Futures	31822	22	0.1
S&P 500 Futures	3958	4	0.1
NASDAQ Futures	12443	15	0.1

Local Markets Commentary

The Australian market commences today's trade with key regional economic data in hand and policy and outlook announcements anticipated from the Bank of Japan early afternoon, ahead of a European Central Bank policy meeting tonight.

US equities markets continued variously higher overnight.

Locally today, the Reserve Bank of Australia (RBA) releases June foreign exchange transactions and holdings of official reserve assets.

In addition, several large-cap and high-profile stocks are providing June quarter and/or full year trading updates.

Regionally today, the Bank of Japan convenes a policy meeting from which results are anticipated 1pm AEST.

Japan's June trade statistics are due just prior to the ASX open.

Earlier this morning, **New Zealand** reported June trade figures, these including a \$NZ701M deficit against forecasts for a \$NZ398M surplus.

In overnight commodities trade, **oil** turned lower, Brent crude moderately and the expiring WTI contract by almost 2%.

US **gold** futures fell towards \$US1700.0/oz.

Iron ore (Nymex CFR China, 62% Fe) continued lower, but slightly so.

Yesterday, reports appeared to have confirmed China had formally established the touted national iron ore company that would centralise national buying for mills and also oversee China's overseas iron ore interests.

Overnight LME (3mth evening) **copper**, **nickel** and **aluminium** swung higher.

The **\$A** fell below US68.90c after trading at ~US69.15c early yesterday evening, and has traded beneath US68.85c this morning.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31875	48	0.2
S&P 500	3960	23	0.6
NASDAQ	11898	185	1.6
FTSE 100	7264	-32	-0.4
DAX 30	13282	-26	-0.2
Shanghai Comp	3305	25	0.8

Today's Stock Watch
Australia & New Zealand Banking Group (ANZ) / Suncorp Group (SUN)

ANZ resumes from a trading halt this morning, having completed a \$A1.7B \$18.90-per-share institutional entitlement offer in support of the bank's proposed \$A4.9B acquisition of SUN's banking division.

A 95% take-up resulted in a \$21.65-per-share shortfall book-build.

The retail component of the ~\$3.5B entitlement offer is scheduled for 26 July – 15 August.

ANZ traded at \$21.375 - \$22.88 last week.

ANZ lodged its **June quarter** trading update when announcing the trading halt pre-trade Monday. Markets revenue rose 5% to \$435M; deposits remained flat. Overall revenue rose 5% on a mean average 1Q and 2Q FY22 basis. 11.1% CET1 (level 2).

Orthocell Ltd (OCC)

OCC is reporting having received \$A21.46M cash, net of fees, under a licence and distribution agreement with BioHorizons Implant Systems.

Resources
Newcrest Mining (NCM)

Produced 637,000oz of gold and 39,000t of copper during the June quarter, boosting FY22 output to 1.956Moz of gold and 121,000t of copper.

The June quarter AISC came in at \$US896/oz and full year AISC at \$US1044/oz.

Full year copper output proved 3% lower than forecast and the full year AISC 2% higher than guidance.

Evolution Mining (EVN)

Produced 172,722oz of gold during the June quarter with a \$1290/oz AISC, pushing full year output to 640,275oz and delivering a \$1259/oz AISC. \$572.4M cash at bank.

Alumina Ltd (AWC)

January – June AWAC (AWC-Alcoa Corp JV) distributions tallied \$162M.

Energy
Woodside Energy (WDS)

Produced 33.8MMboe during the June quarter. Sold 35.8MMboe at \$95/bbl of oil equivalent, for \$3.438B revenue.

Santos Ltd (STO)

Produced 25.5MMboe during the June quarter.

Sales revenue tallied \$US1.879M, pushing January – June revenue to \$US3.766B.



Overseas Markets Commentary

Swinging, choppy trade featured across major European, UK and US equities markets overnight.

Large tech stocks remained in favour, but geopolitics and economic data coupled with central bank policy considerations to toy with sentiment.

Northern summer season trade volumes were again reported lower.

In the UK, conservative MPs narrowed the contenders to be the next PM to two, namely former chancellor Rishi Sunak and former foreign secretary Liz Truss.

The final vote is scheduled for 5 September.

Russia's president had yesterday travelled to Iran to meet with the Iranian leader and Turkey's president.

The Russian president in the meantime again warned gas supply to Europe via the Nord Stream line could be reduced further or even stop, as Russia's foreign secretary indicated Russia's conflict in Ukraine was not constrained to gaining control of eastern regions.

Meanwhile, China's oil imports from Russia were reported to have grown for a second consecutive month in June, as more expensive imports from Saudi Arabia again fell.

In Italy, the prospect of new parliamentary elections firmed following further evidence of a likely fatal split in the coalition government.

Among overnight **data** releases, the **UK's** June CPI reading represented 0.8% higher inflation for the month and an annualised rate of 9.4%.

Economists had anticipated 0.9% and 9.5% figures respectively.

This followed 0.7% and 9.1% for May.

Meanwhile, **Germany** reported a 0.6% increase in June producer prices, following a 1.6% May appreciation and forecasts for a new 1.2% rise.

Against June 2021, prices were up 32.7%.

An initial consumer confidence reading for the **euro zone** for July deteriorated to -27 from a finalised -23.6 for June.

Russia's June producer prices were reported 4.1% lower for the month.

Against June 2021, prices were up 11.3%.

In the **US**, June existing home sales were calculated 5.4% lower for the month, against forecasts for a 1.8% fall following May's 3.4% decline.

Weekly mortgage applications fell 6.3%.

The average 30-year mortgage rate was reported at 5.82% from 5.74%.

A 20-year bond auction delivered a 3.420 %yield from 3.488%.

Tonight in the US, the Philadelphia Fed manufacturing and Conference Board leading indices due, together with weekly initial jobless claims.

Elsewhere, the **European Central Bank** (ECB) convenes a policy meeting and announces outcomes. The ECB's current deposit facility rate is -0.5% and the marginal lending rate is 0.25%.

Pre-Open Announcements

Euroz Hartleys Group (EZL)

Paying an 8.5c fully franked final dividend, against 13.5c a year ago.

Estimated unaudited \$40.7M full year NPAT.

~\$3B FUM.

Bega Cheese (BGA)

In response to an ASX query, BGA asserts it has remained compliant with disclosure requirements in releasing trading updates and anticipated milk prices, including an update lodged post-ASX trade Wednesday last week.

Thursday last week BGA dropped 8.45%, settling at \$3.25 following 18,258 transactions across which ~32.186M shares were traded.

BGA has since traded at \$3.12 - \$3.41.

Resources

Los Cerros (* LCL)

Heralding infill drilling results for the Quinchia gold project Tesorito discovery.

\$13M cash at 30 June.

Greenwing Resources (GW1)

Conference presentation lodged post-trade yesterday.

Energy

Yancoal Australia (YAL)

Produced 7.4Mt of attributable saleable coal during the June quarter, 9% fewer tonnes than for the March quarter and 16% fewer than for the June quarter 2021.

January – June attributable saleable coal output came in at 15.5Mt, 11% lower than for the same period last year.

Sold 7.9Mt of attributable coal during the June quarter at a mean average \$A368/t, against \$258/t for the March quarter and \$101/t for the June quarter 2021.

The January – June average price of \$314/t represented a 234% jump on that for the same period last year.

\$3.4B cash balance.

YAL traded as high as \$6.14 for the first time in ~six weeks yesterday.

YAL has recorded sessional gains for eight of the past 10 sessions, closing at \$5.99 yesterday.

Trading Halts

Company	Code	Resuming
Almonty Industries	ALL	21 Jul
First Au	FAU	21 Jul
Quantum Graphite	QGL	21 Jul
Wiluna Mining Corporation	WMC	22 Jul
Santana Minerals	SMI	25 Jul



Companies listed to report earnings include: ABB, AT&T, American Airlines, Domino's Pizza, Dow, Electrolux, Freeport-McMoRan, Hyundai Motor, Mattel, Nokia, PPG Industries, Roche Holding, SAAB, SAP, Snap, Thales and Travelers.

In overnight corporate news, **Tesla** proved the latest stock to report better-than-anticipated earnings.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1700.2	oz	-10.50	-0.6
Silver (NY) (Sep)	18.67	oz	-0.05	-0.2
Gold (LON) (19 Jul)	1713	oz		
Platinum	855	oz	-20	-2.3
WTI Crude (NYMEX Aug)	102.26	bbf	-1.96	-1.9
Brent Crude (ICE EUR Sep)	106.92	bbf	-0.43	-0.4
Iron Ore (NYMEX CHN port;62%Fe)	104.51	t	-0.25	-0.2
Copper (LME 3mth Evening)	7381	t	104	1.4
Nickel	21182	t	586	2.8
Aluminium	2436	t	47	2.0
Lead	2037	t	50	2.5
Zinc	3010	t	62	2.1
Tin	24726	t	-84	-0.3

Commodities Commentary

Oil – prices were pushed and pulled overnight by supply scenarios, new inventories data and central bank moves against elevated inflation levels.

Prices swung lower early, but reports an oil export pipeline from Canada to the US was delivering reduced volumes for a third consecutive day were cited as limiting falls.

A weekly US petroleum inventories report release by US government agency the EIA tonight, included a 3.498MMbbl increase in petrol stocks, exacerbating fears of the impact of rising inflation and interest rates on demand.

Petrol production had risen by 447,000bbl/d.

Crude in storage was reported to have fallen by 446,000bbl and net crude imports by a daily 891,000bbl.

The WTI August delivery contract expired overnight, with the September contract falling US86c/bbl to \$US99.88/bbl.

Gold – Comex futures settled lower overnight, amid currency swings and vacillating equities sentiment.

Central bank policy remained in focus, with a Bank of Japan policy meeting today, ahead of the keenly anticipated policy meeting for the European Central Bank tonight and US Federal Reserve two-day meeting next week.

Base metals – overnight trade was influenced by supply scenarios, in addition to broader economic considerations.

Among the large producers, Antofagasta lowered its full year copper production forecast from 660,000t – 690,000t to 640,000t – 660,000t.

This followed a downward revision by Vale, to 270,000t – 285,000t from 330,000 – 350,000t.

Further producer updates are anticipated this week - from Anglo American and Freeport-McMoRan tonight and from Glencore later tomorrow.

China's one-year and five-year loan prime rates, announced

Suspensions (selected)

Company	Code	Since
Collection House	CLH	1 Jul
Elmore Ltd	ELE	18 Jul
Reward Minerals	RWD	21 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
UWL	Tomorrow	10.5	100	0.00
PPS	Mon	5	100	0.00
MIR	Wed	8.5	100	3.12
MIRNB	Wed	4.25	100	0.00
PSC	Wed	79	0	0.00

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	AWC	Jun Q
	EVN	Jun Q (live-stream tele 11am)
	NCM	Jun Q
	STO	Jun Q
	WDS	Jun Q
	ZIP	Jun Q
Mon	AFI	Full year (NB w/cast Tue 26 Jul 3.30pm)
	C6C	Jun Q (post-ASX trade)
Wed	ALC	Jun Q (w/cast & Q&A 11am)
	IGO	Jun Q
	RIO	Interim
Thu (28 Jul)	ERA	Interim
	FMG	Jun Q
	JHG	Jun Q; interim
	MMM	Jun Q (NB tele Fri 29 Jun 9am)
	OGC	Jun Q (NB w/cast tele Fri 29 Jun 7.30am)
	URW	Interim
Fri (29 Jul)	PBH	Jun Q (w/cast tele 10am)



yesterday, remained flat at 3.7% and 4.45% respectively.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6883	-0.0030	-0.43
EUR – USD	1.0178	-0.0060	-0.59

Australian Data Today

NAB	Business confidence & conditions	Jun Q
ABS	Workforce (additional info)	Jun
RBA	Forex transactions & reserve assets holdings	Jun

US Data Tonight

Philadelphia Fed manufacturing	Jul
Initial jobless claims	16 Jul
Conference Board leading index	Jun

Other Overseas Data Today & Tonight

New Zealand	Trade balance	Jun
Japan	Bank of Japan policy meeting outcomes	21Jul
Japan	BoJ quarterly outlook	Jul
Japan	Trade balance	Jun
UK	Public sector net borrowing	Jun
Euro zone	ECB policy meeting outcomes	21Jul

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