

Markets

SFE 200 Futures (9.30am AEST)	7876	-67	-0.8
NZX 50	12342	17	0.1
DJIA Futures	40637	75	0.2
S&P 500 Futures	5572	18	0.3
NASDAQ Futures	19825	112	0.6

Local Markets Commentary

The Australian market commences the last full week of trade for July with US political churn and little perceived progress in resolving key conflicts.

US equities markets continued lower overnight Friday, settling 0.7% - 0.9% lower for the session.

Since overnight Friday trade, US president Joe Biden has stepped aside from contesting November's US presidential election, in favour of his deputy Kamala Harris.

Israel has directly attacked Houthi targets within Yemen, in response to a Houthi drone attack on Tel Aviv, Israel late Friday, and later claimed it had deflected a subsequent Houthi attack, ratcheting fears of a broader regional conflict involving Iran, which has traditionally supported the Houthis.

In turn, this has swung oil price futures higher.

Meanwhile, wildfires have continued in key northern American oil and mineral producer Canada, and flood-hit China prepared for the approach of two cyclones.

Locally today, guidance updates, June quarter reports and oil and metals sentiment will likely orchestrate select trade.

Regionally, New Zealand has released June **international trade** figures pre-trade, these including a better-than-anticipated trade surplus but falls for both exports and imports.

China is scheduled to publish prime rates for one-year (household and corporate benchmark) and five-year loans at **11.15am** AEST.

In overnight Friday **commodities** trade, **oil** dropped by ~3%.

US **gold** (Comex) futures settled lower for a third consecutive session, tumbling below \$US2400/oz.

Iron ore (Nymex CFR China, 62% Fe) extended its current string of slight falls, closing beneath \$US108.5/t.

LME (3mth evening) **copper**, **nickel** and **aluminium** also fell further, this time by 0.8% - 1.4%.

The **\$A** declined below US66.85c after trading at ~US66.90c Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	40288	-377	-0.9
S&P 500	5505	-40	-0.7
NASDAQ	17727	-144	-0.8
FTSE 100	8156	-49	-0.6

Today's Stock Watch
Unibail Rodamco Westfield (URW)

The estimated total investment cost for the Westfield Hamburg-Überseequartier project has risen from €1.64B to €2.16B. The increase is due to the delayed opening, water ingress and cost overruns. URW is reviewing mitigating measures. URW's interim results are expected Thursday.

Iress Ltd (IRE)

Anticipating 50% higher year-on-year \$65M - \$67M 1H24 adjusted EBITDA.

Generation Development Group (GDG)

FUM grew 26% year-on-year to \$3.299B during the June quarter. Inflows grew 21% to \$198M.

Dropsuite Ltd (DSE)

June quarter annual recurring revenue (ARR) rose 31% year-on-year, and by \$2.3M for the three months, to \$39.9M. \$25.13M cash at hand, up 9%.

Cash Converters (CCV)

Unaudited 26% FY24 revenue growth to \$382.6M. No material difference anticipated for operating profit. 21% drop in cash and equivalents to \$56.2M.

Cromwell Property Group (CMW)

Valuations fell 5.0% (\$115.5M) during the six months to 30 June.

Resources
South32 Ltd (S32)

Planning to appeal the WA EPA assessment and conditions for the Worsley mine development plans. In addition, expecting a \$US554M pre-tax FY24 Worsley impairment, in addition to a \$US264M pre-tax Cerro Matoso impairment.

Lowering alumina, Sierra Gorda copper equivalent and Cannington zinc equivalent FY25 production guidance.

June quarter and FY24 output figures lodged pre-trade, including a FY24 14% drop in payable copper, but 10% higher output for the June quarter against the March quarter.

Sierra Rutile (SRX)

Recommending the unsolicited 18c-per-share takeover proposal from Leonoil revealed last week. Gemcorp continues to offer 16c per share for SRX. SRX traded at 17.5c - 19.5c last week.

Energy
Woodside Energy (WDS)

Webcast teleconference scheduled to commence **10am** AEST. Proposing to outlay \$900M to acquire NYSE-listed Tellurian.

Completion is anticipated by year's end.

In the meantime, WDS will loan Tellurian up to \$230M.



DAX 30	18172	-180	-1.0
Shanghai Composite	2982	5	0.2

Overseas Markets Commentary

Major European, UK and US equities markets dropped early overnight Friday. Sentiment mostly trended yet lower towards respective settlements at or near session lows.

Economically, inflation and retail sentiment indicators were in focus, together with a major global IT outage, which interrupted some trade.

Friday afternoon AEST, a flawed cyber security risk software update caused the Microsoft Windows operating system to start malfunctioning, shutting down computer systems across transport, finance, retail, health, government services and other sectors globally.

CrowdStrike claimed responsibility for the fault, its share price subsequently taking a hit, also.

In addition, some overnight Friday sentiment was affected by corporate reporting, Netflix suffering from a warning issued post-US trade Thursday.

Meanwhile, the report from a European Central Bank survey of professional forecasters included predictions euro zone inflation would fall below 2.0% in 2026, after falling from 2.4% this year, to ~2.0% in 2025.

Survey participants revised the previous 0.5% 2024 euro zone economic growth forecast to 0.7%.

In overnight Friday **economic data**, **Germany's** June producer prices were reported 0.2% higher for the month, double the expected appreciation rate, following no change during May.

Against June 2023, prices were down 2.6% from May's 2.2% annualised fall.

UK June retail sales fell 1.2% for the month and 0.2% against June 2023.

Forecasters had anticipated a pullback, but by just 0.4% following May's 2.9% rise. May's sales were also up year-on-year, by 1.7%.

A UK GfK July consumer sentiment reading, released earlier Friday, remained dour, coming in at -13 from -14. This proved the highest reading in almost three years however, and represented a fourth consecutive month of improved readings.

Canada's June producer prices were calculated unchanged following a 0.2% May rise and forecasts for the same rate of increase for June.

June's prices were notably up 2.8% year-on-year, from May's 2.1% annualised climb.

Tonight in the US, the June Chicago Fed national activity index is due.

Companies listed to report earnings or provide trading updates later today or tonight include: Cadence Design Systems, HDFC Bank, NXP Semiconductors, POSCO Holdings, Ryanair, SAP and Verizon Communications.

Pre-Open Announcements

Fletcher Building (* FBU)

FBU has appointed Capral (ASX: CAA) MD and CEO Tony Dragicevich as a non-executive director, effective 1 August. Mr Dragicevich is also a previous Wattle Group MD and CEO.

Little Green Pharma (* LGP)

June quarter revenue grew 12% to \$7.3M (unaudited). Additional statistics lodged this morning. \$4.3M cash at bank.

Althea Group (* AGH)

Agreements in hand formalising the AGH Peak USA-Flora Growth Corporation JV.

Saferoads Holdings (SRH)

Commencing a strategic review of operations and assets. Select unaudited FY24 results lodged post-trade Friday. Meanwhile, SRH non-executive chair David Ashmore has been appointed company secretary. Recent SRH CFO and company secretary Mark Langham has resigned. SRH attracted seven ASX trade transactions last week, ultimately dropping from 5c to 4.1c.

Spheria Emerging Companies (SEC)

June update, including top 10 holdings, lodged post-trade Friday. Retaining the view that 'Australia is lurching toward recession like conditions'.

Beston Global Food Company (BFC)

Anticipating \$170M FY24 net sales, the same as for FY23. Further, BFC has progressed asset transaction plans, agreeing terms for a \$A4M sale of the group's meat processing subsidiary Provincial Food Group. BFC will use net sales proceeds to reduce debt. Discussions continue regarding potential dairy and dairy nutrition transactions. Completion of the Provincial sale is anticipated no later than 31 July. BFC trade remains suspended.

Resources

Highfield Resources (* HFR)

LoI in hand with Yankuang Energy Group Co and strategic investors regarding a proposed strategic transaction to fund the balance needed for HFR's Muga potash project phase 1, Spain. The proposal includes a potential \$US220M placement and an associated potential acquisition of Yankuang Energy's Southey potash project, Canada. Additional details lodged post-trade Friday.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Aug)	2399.1	oz	-57.3	-2.4
Silver (COMEX 5000 Sep)	29.30	oz	-0.92	-3.1
Platinum	964	oz	-4	-0.4
WTI Crude (NYMEX Aug)	80.13	bbl	-2.69	-3.3
Brent Crude (ICE EUR Sep)	82.63	bbl	-2.48	-2.9
Iron Ore (NYMEX CHN port;62%Fe)	108.45	t	-0.28	-0.3
Copper (LME 3mth Evening)	9312	t	-76	-0.8
Nickel	16256	t	-168	-1.0
Aluminium	2351	t	-33	-1.4
Lead	2128	t	-30	-1.4
Zinc	2777	t	-32	-1.2
Tin	31055	t	-549	-1.7

Commodities Commentary

Oil – since overnight Friday trade, Israel’s direct attacks on Houthi targets within Yemen, damaged petroleum infrastructure in addition to sparking greater concern at a broader regional conflict potentially directly involving Iran. Earlier in the weekend, Yemen’s Houthis claimed responsibility for a damaging missile attack on a cargo ship traversing the Gulf of Aden, simultaneously vowing to continue such attacks in support of Palestinians suffering from the Hamas-Israel conflict.

Overnight Friday, US secretary of state optimism regarding Hamas-Israel ceasefire negotiations progress had been cited as the key factor that pushed prices lower.

This was due to expectations commercial shipping risk through the Red Sea and Mediterranean regions would decrease, and a temporary calming of fears that the conflict could spread throughout the region potentially impacting crude production.

In addition, China’s administration recognised ‘contradictions’ in a list of economic goals and implementation plans released late-Thursday at the conclusion of the Communist Party’s key economic and policy forum.

This underscored qualms at the fragility of China’s economic progress and hence the republic’s crude demand.

Of further consideration Friday, two oil tankers were reported on fire after colliding in a major transport region near Singapore.

A weekly US petroleum drill rig report, published overnight Friday by Baker Hughes, included one fewer oil rig in operation, pegging this tally back to its lowest since December 2021. The overall petroleum drill rig count rose by two, the new sum nonetheless representing a 12% (83-rig) year-on-year fall.

Gold – prices dropped early overnight Friday, industry watchers attributing this in part to profit-taking amid economic concerns for key gold buyer China.

A US GDP update, income and spending figures and international PMIs are among data releases expected to influence some of this week’s trade.

Geopolitical factors, a rates decision for Canada and corporate earnings are also expected to continue to sway trade.

Base metals – overnight Friday’s continued weak base metals sentiment was attributed to China’s admission that the list of economic goals delivered at the conclusion of the Communist

Regis Resources (* RRL)

NSW McPhillamys gold project DFS results lodged this morning.

Asra Minerals (ASR)

ASR has appointed experienced project manager Bishoy Habib as a non-executive director.

Alumina Ltd (* AWC) / Alcoa Corp (* AAI)

Due to AWC’s proposed acquisition by Alcoa Corp (NYSE: AA), AWC will be removed from the S&P/ASX 200 prior to Wednesday’s (24 July) ASX open.

Effective by Wednesday’s opening, AWC’s spot will be filled by Alcoa Corp CDI, trading under the code AAI.

Ordell Minerals (* ORD) / Genesis Minerals (GMD) / Duketon Mining (DKM)

WA-focused mineral exploration company ORD completed a successful ASX listing Friday, following a \$6M IPO at 20c per share.

Opened and closed at 21c and traded at 19.5c – 22c intra-session.

~1.6M shares changed hands across 163 transactions.

~35.8M quoted shares.

GMD held 7.99% on listing. DKM held 3.60%.

Axel REE (* AXL)

Rare earths explorer scheduled to list on the ASX 10.30am AEST tomorrow, following an ~\$13.83M IPO at 20c per share.

~74.42M quoted shares.

Holds four rare-earth prospective projects in Brazil.

Energy**Paladin Energy (* PDN)**

Produced 517,597lb of Langer Heinrich U₃O₈ during the June quarter.

Initial shipment (319,229lb) achieved 12 July.

Anticipating 4.0Mlb – 4.5Mlb U₃O₈ output for FY2025.

\$US48.9M cash and equivalents at 30 June.

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	CEN	Jun Q
	DRO	Jun Q
	DSE	Jun Q
	GDG	Jun Q
	IFL	Jun Q
	K2F	Jun Q
	LGP	Jun Q
	PDN	Jun Q
	S32	Jun Q



Party economic and policy forum contained some ‘contradictions’ and ‘complexities’, and in part, considerations of what a change in the US presidency could mean for international trade.

LME copper traded at ~20% below its May peak, falling the most in a week in ~two years.

On the flip side, copper and lithium analysts were also watching for news out of a key mining area in Chile near which a 7.4 magnitude earthquake had been reported.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6699	0.0014	0.21
EUR – USD	1.0902	0.0021	0.19

US Data Tonight

Chicago Fed national activity index	Jun
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Other Overseas Data Today and Tonight

New Zealand	International trade	Jun
China	Prime rates - one-year & five year loans	Jul
Euro zone	ECB monetary analysts survey	Jul

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Tomorrow	ALX	Jun Q
	LYC	Jun Q (w/cast 10am)
	MAC	Jun Q (w/cast tele 9am)
	WDS	Jun Q
Thu	AAC	AGM
	DJW	Full year (webinar 1pm)
	FMG	Jun Q
	MQG	AGM
	NEM	Jun Q (NB tele 1am AEST Fri)
	NST	Jun Q
	RRL	Jun Q (w/cast tele 11am)
	STX	Jun Q
	SFR	Jun Q (w/cast tele midday)
	URW	Interim
Fri	MIN	Jun Q

Trading Halts

Company	Code	Resuming
AMA Group	AMA	22 Jul
AuKing Mining	AKN	22 Jul
Calix Ltd	CXL	23 Jul
Sierra Rutile Holdings	SRX	23 Jul

Suspensions (selected)

Company	Code	Since
Beston Global Food Company	BFC	3 Jul
Calidus Resources	CAI	1 Jul
Calima Energy	CE1	3 Jul
Indiana Resources	IDA	4 Jul
Linus Technologies	LNU	8 Jul
M3 Mining	M3M	19 Jul
Magellan Global Fund	MGF	12 Jul
NSX Ltd	NSX	27 Jun
Pacific Nickel Mines	PNM	18 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
SEC	Tomorrow	3.4	100	5.09
AIQ	Wed	3.91	0	0.00
MIR	30 Jul	9.0	100	3.06