

Markets

| | | | |
|--------------------------------------|-------|-----|------|
| SFE 200 Futures (9.30am AEST) | 7802 | 73 | 0.9 |
| NZX 50 | 11782 | -9 | -0.1 |
| DJIA Futures | 39647 | 11 | 0.0 |
| S&P 500 Futures | 5591 | 0.5 | 0.0 |
| NASDAQ Futures | 20408 | -4 | 0.0 |

Local Markets Commentary

The Australian market commences today's trade with further material domestic economic data due, with the US observing a public holiday and with the UK voting, from later today until 10pm UK time, in a general election deemed likely to deliver a change of government.

US equities markets settled between little changed and a 0.9% gain overnight.

Locally today, the Australian Bureau of Statistics (ABS) releases May **international trade** figures at **11.30am** AEST.

Regionally today, no major economic reports that could influence ASX trade are anticipated.

This afternoon, Japan is scheduled to host a 10-year government bond auction.

In largely positive overnight **commodities** trade, **oil** swung 1.3% higher.

US **gold** (Comex) futures gained 1.5%, approaching \$US2370/oz.

Iron ore (Nymex CFR China, 62% Fe) continued to rally, settling beyond \$US110.0/t.

LME (3mth evening) **copper** and **nickel** climbed by ~2% and **aluminium** by ~1%.

The **\$A** was propelled to ~US67.05c after trading at ~US66.75c early yesterday evening.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|---------------------------|-------|-----|------|
| Dow Jones | 39308 | -24 | -0.1 |
| S&P 500 | 5537 | 28 | 0.5 |
| NASDAQ | 18188 | 160 | 0.9 |
| FTSE 100 | 8171 | 50 | 0.6 |
| DAX 30 | 18375 | 210 | 1.2 |
| Shanghai Composite | 2983 | -15 | -0.5 |

Overseas Markets Commentary

A majority of major European and UK equities markets turned and rallied overnight, while most key US indices continued higher.

The DJIA proved the exception, with consumer stocks out of favour. Select corporate news and the semiconductor sector again proving *in* favour pushed the NASDAQ and S&P to new record closing highs.

Today's Stock Watch
Stockland (SGP) / Lendlease Group (LLC)

The Australian Competition and Consumer Commission (ACCC) has published a list of concerns associated with the proposed acquisition of 12 LLC community projects by an SGP-Supalai JV.

Infratil Ltd (IFT)

IFT 48.25% holding in data centre operator CDC has been independently assessed to have grown by \$A466M during the June quarter, to \$A4.159B - \$A4.940B.

Regal Partners (RPL)

Anticipating \$55M - \$56M worth of performance fee revenue for first half 2024.

In addition, FUM at 30 June are estimated at \$12.2B.

Lumos Diagnostics (LDX)

FebriDx point-of-care test distribution agreement secured with Regional Health Care Group, covering Australia and New Zealand.

Tamawood Ltd (TWD)

Expecting \$8.08M FY24 pre-tax profit, representing 167.5% growth. \$6.114M cash on hand.

Airtasker Ltd (ART) / ARN Media (A1N)

ART has secured \$5M worth of media exposure with A1N, via a two-year 5.8% convertible note.

Resources
DevEx Resources (DEV)

Initial north Queensland Kennedy REE project resource estimated at 150Mt @ 1000ppm TREO, using a 325ppm TREO-CeO₂ cut-off.

West African Resources (WAF)

WAF is resuming from a trading halt for commitments for a \$150M \$1.37-per-share placement, in support of Kiaka gold project development.

WAF traded at \$1.535 - \$1.64 across the five sessions immediately prior to calling the halt.

Southern Cross Gold (SXG)

Victoria Sunday Creek project Apollo prospect diamond drilling has intercepted several high-grade vein sets.

Assays lodged this morning.

Further results pending.

Capricorn Metals (CMM)

Produced 113,007oz of Karlawinda project gold during FY24, buoyed by 26,835oz in the June quarter.

\$A125M cash and gold on hand.



US equities markets closed early, ahead of the 4 July holiday.

Prior to this however, the US Federal Reserve released June monetary policy meeting minutes which underscored the chair's public comments the previous session, that while inflation was slowing, policy makers did not consider that overall economic data yet indicated it was time to lower interest rates.

New, weaker-than-expected US data released overnight however, appeared to buoy hopes the Fed will deem conditions to be right to commence reducing rates in September.

This also weakened the \$US, supporting international commodities trade.

Earlier yesterday, Caixin published an expansion-mode 51.2 June services PMI for China which nonetheless represented a 2.8-point drop for the month.

Forecasters however, had anticipated a much smaller, 0.6-point decline to 53.4.

Among overnight **economic data** releases, the **euro zone's** May producer prices declined 0.2% for the month and 4.2% year-on-year, following 1.0% and 5.7% respective falls for April.

A final June services PMI reading for the euro zone proved rose by 0.2 to 52.8 from the initial estimate, but represented a 0.4-point decline for the month.

Germany's finalises June services PMI came in at 53.1 from an initially estimated 53.5 and represented a 1.1-point fall for the month.

June new car registrations proved 6.1% higher than for June 2023, following a 4.3% annualised May decline.

Meanwhile, a 10-year bond auction hosted by Germany produced a 2.63% yield from 2.60%.

In the **UK**, the final 52.1 June services PMI represented a 0.9-point improvement on the initial estimate but a 0.8-point decline for the month.

Russia reported 4.5% annualised May GDP growth from 4.4% for April.

Among a plethora of key economic releases in the **US**, a June private sector employment report estimated 150,000 new positions, against consensus for 160,000 following May's 157,000.

A June job cuts report in the meantime included 48,786 planned layoffs against 63,816 reported for May.

Weekly new unemployment claims tallied 238,000 against expectations for 235,000 following the previous week's 234,000.

The ISM's June services PMI dampened perceptions of June quarter GDP growth, but raised prospects of a 2023-rather-than-2025 initial interest rate reduction.

The 48.8 contraction-mode reading represented a five-point drop for the month, against expectations for a remaining expansionary 52.5.

May factory orders also surprised on the downside, falling by 0.5%, and defying forecasts for a 0.2% increase following a 0.4% April rise.

May international trade figures indicated little change from April's figures and included a \$US75.1B deficit.

Weekly mortgage applications dropped by 2.6%.

MBA-calculated 30-year mortgage rates rose from 6.93% to 7.03%.

Pre-Open Announcements

Energy World Corporation (* EWC)

Paying \$US9.3M, plus interest, additional costs and legal costs, to Hankuk Carbon Co (HCC) under an arrangement whereby HCC will refrain from pursuing further legal action.

EWC has paid the legal costs plus a \$US3M instalment of the base \$US9.3M.

Details of other proposed instalment payments lodged post-trade yesterday.

Australian Foundation Investment Company (AFI)

June performance and top 25 investments at 30 June lodged pre-trade.

WAM Leaders (WLE)

June performance, top 20 holdings and sector spread at 30 June lodged this morning.

MMA Offshore (MRM)

Australia's Foreign Investment Review Board (FIRB) will not object to the proposed scheme under which Cyan MMA Holdings will acquire 100% of MRM.

Resources

Chalice Mining (* CHN)

Corporate presentation lodged post-trade yesterday.

CHN dropped 19.47% yesterday, settling at \$1.22 following the exchange of ~25.4M shares across 13,267 transactions.

Pre-trade, CHN had disclosed an MoU with Mitsubishi Corporation to work collaboratively during the ongoing pre-feasibility study for the WA Gonneville PGE-nickel-copper-cobalt project.

Under the MoU, CHN and Mitsubishi will discuss, within 90 days of the completion of pre-feasibility, a potential binding partnership.

Latitude 66 (* LAT) / Discover Resources (* DCX)

The former DCX will be reinstated to ASX quotation on today's open, having completed the acquisition of Latitude 66 Cobalt, and changed its name and code to Latitude 66 and LAT respectively.

In preparing for reinstatement, DCX raised \$4M at 20c per share.

Gold and critical minerals exploration assets held in Finland, Queensland and Western Australia.

142.6M quoted shares.

Energy

New Hope Corporation (NHC)

\$A300M 4.25% five-year unsecured convertible notes offer.

\$A293.3M net proceeds anticipated.

NHC plans to list the notes on the Singapore Exchange Securities Trading (SGX-ST) list.

Additional details lodged post-trade yesterday.



Tonight, the European Central Bank (ECB) is scheduled to publish June monetary policy meeting minutes, as the UK votes in the general election expected by many to bring the first major change in government in 14 years.

US equities markets will be **closed**.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|--|--------|-------|------|------|
| Gold (COMEX 100 Aug) | 2369.4 | oz | 36 | 1.5 |
| Silver (COMEX 5000 Sep) | 30.84 | oz | 1.18 | 4.0 |
| Platinum | 996 | oz | -1 | -0.1 |
| WTI Crude (NYMEX Aug) | 83.88 | bbl | 1.07 | 1.3 |
| Brent Crude (ICE EUR Sep) | 87.34 | bbl | 1.10 | 1.3 |
| Iron Ore (NYMEX CHN port;62%Fe) | 110.32 | t | 2.74 | 2.5 |
| Copper (LME 3mth Evening) | 9891 | t | 196 | 2.0 |
| Nickel | 17367 | t | 318 | 1.9 |
| Aluminium | 2555 | t | 25 | 1.0 |
| Lead | 2230 | t | 21 | 1.0 |
| Zinc | 2998 | t | 69 | 2.4 |
| Tin | 33400 | t | 435 | 1.3 |

Commodities Commentary

Oil – US demand, coupled with a weaker \$US and renewed hopes of a post-summer US interest rate reduction, a continued watch on a strong hurricane that has moved through the Caribbean this week, data out of China, and commentary surrounding the previous session's estimate of OPEC activity pushed and pulled overnight prices.

Indications of improved US demand and some potential Gulf of Mexico production outage, appeared to prevail, with prices ultimately rallying.

A weekly US petroleum inventories report, published overnight by US government agency the EIA, included a 12.16MMbbl fall for stored crude and 2.21MMbbl decline for petrol stocks, while refinery demand picked up.

Overnight Tuesday post-US trade, the American Petroleum Institute (API) had published a weekly report which had included an estimated 9.163MMbbl draw on US crude stocks last week.

Meanwhile, a China services PMI fell further than anticipated and a media survey from the previous session indicating a second consecutive month of increased OPEC production in June drew speculation on compliance with output pledges.

Gold – overnight prices were supported by a 0.45% fall for the \$US index, following US data which supported prospects for a US interest rate reduction by year's end.

Prices were noted particularly lower following the ISM's services PMI release.

Base metals – new data for China plus a weaker \$US influenced overnight base metals trade sentiment.

Caixin's June services PMI for China, released yesterday, undershot expectations, but the reading continued to represent expansion, albeit at the slowest pace in eight months.

Trading Halts

| Company | Code | Resuming |
|--------------------|------|----------|
| Compumedics Ltd | CMP | 4 Jul |
| eCargo Holdings | ECG | 4 Jul |
| Indiana Resources | IDA | 4 Jul |
| MRG Metals | MRQ | 5 Jul |
| Peak Minerals | PUA | 5 Jul |
| Strategic Elements | SOR | 5 Jul |
| Trigg Minerals | TMG | 5 Jul |

Suspensions (selected)

| Company | Code | Since |
|----------------------------|------|--------|
| Besra Gold | BEZ | 19 Jun |
| Beston Global Food Company | BFC | 3 Jul |
| Calidus Resources | CAI | 1 Jul |
| Calima Energy | CE1 | 3 Jul |
| Jindalee Lithium | JLL | 3 Jul |
| NSX Ltd | NSX | 27 Jun |
| OZZ Resources | OZZ | 20 Jun |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|--------------|---------|--------------|-----------|
| CAM | Today | 1.35 | 100 | 6.61 |
| CKF | Mon | 15.5 | 100 | 3.03 |
| KAT | Tue | 0.5 | 100 | 1.65 |
| RHI | Tue | 150 | 100 | 0.00 |
| TCO | Thu (11 Jul) | 5 | 100 | 0.00 |
| MTS | 16 Jul | 8.5 | 100 | 6.16 |

**Exchange Rates**

| CURRENCIES | LAST | +/- | % |
|------------------|--------|--------|------|
| AUD – USD | 0.6710 | 0.0037 | 0.55 |
| EUR – USD | 1.0789 | 0.0050 | 0.46 |

Australian Data Today

| | | |
|-----|---------------------|-----|
| ABS | International trade | May |
|-----|---------------------|-----|

Overseas Data Today and Tonight

| | | |
|------------------|-------------------------------------|-----|
| UK | Construction PMI | Jun |
| UK | New car sales | Jun |
| Germany | Factory orders | May |
| Germany | Construction PMI | Jun |
| Euro zone | ECB monetary policy meeting minutes | Jun |
| Euro zone | Construction PMI | Jun |

Need More Information?

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