

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6891	6	0.1
<b>NZX 50</b>	11743	8	0.1
<b>DJIA Futures</b>	32711	30	0.1
<b>S&amp;P 500 Futures</b>	4156	4	0.1
<b>NASDAQ Futures</b>	13339	12	0.1

**Local Markets Commentary**

The Australian market commences Friday trade with a key Reserve Bank of Australia report due late morning, and material domestic data in hand, following a fifth consecutive Bank of England rate increase overnight, ahead of a Reserve Bank of India rates decision this afternoon and influential data out of the US tonight.

Vacillating sentiment featured across US equities trade overnight, amid a swag of considerations including murky domestic and international economic and geopolitical scenarios.

**Locally** pre-trade, the AiG has released a **51.7 July services PMI** estimate. This from a contraction-mode 48.8 for June and following forecasts for a deterioration to 48.0.

In addition today, the **RBA** publishes its quarterly '*Statement on Monetary Policy*', outlining the reasons for RBA domestic, regional and global outlooks together with recent and likely near-term policy moves. This report is due **11.30am AEST**.

**Regionally** today, **Japan** was scheduled to release **June household spending** and average **earnings** pre-ASX trade.

**China** is expected to report July trade statistics over the weekend.

In overnight commodities trade, **oil** extended Wednesday's fall, WTI crude trading below \$US90/bbl and Brent below \$US95/bbl.

US **gold** futures swung higher, settling above \$US1805/oz.

**Iron ore** (Nymex CFR China, 62% Fe) fell further, approaching \$US107/t.

Overnight LME (3mth evening) **copper** and **aluminium** turned variously higher. **Nickel** continued to decline.

The **\$A** again traded within a narrow range after approaching US69.75c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	32727	-86	-0.3
<b>S&amp;P 500</b>	4152	-3	-0.1
<b>NASDAQ</b>	12721	52	0.4
<b>FTSE 100</b>	7448	2	0.0
<b>DAX 30</b>	13663	75	0.6
<b>Shanghai Comp</b>	3189	25	0.8

**Overseas Markets Commentary**

Marked choppy, swinging trade featured across major European,

**\* Battery-focused mineral exploration listing – 1pm AEST – SUM \***
**Today's Stock Watch**
**Block Inc (SQ2)**

SQ2 reported unaudited June quarter and 1H 2022 figures in the US overnight, these including a \$412.21M 1H net loss against a \$US243.03M profit a year earlier.

\$US8.365B 1H net revenue. \$US4.02B cash and equivalents.

**GQG Partners (GQG)**

\$US88.9B FUM at 31 July from \$US86.7B 30 June.

**Pharmaxis Ltd (PXS)**

Aptar Pharma is paying PXS \$2.5M to exercise its option for a licence for the PXS Orbital inhaler technology, and a further \$2.5M to exercise the subsequent option to purchase the technology outright.

PXS will retain rights to mannitol products delivered via the Orbital inhaler.

In addition, non-executive director Will Delaat AM has resigned from the PXS board due to health considerations.

**Resources**
**Summit Minerals (\* SUM)**

Explorer scheduled to list on the ASX **1pm AEST**, following a \$4.61M IPO at 20c per share.

~24.73M quoted shares.

Four lithium and REE projects in WA and an antimony project in Queensland.

**European Lithium (EUR)**

MoU secured with BMW for EUR to supply first Wolfsberg project battery grade lithium hydroxide to BMW. Pending commercial terms negotiations, BMW will pay \$US15M upfront.

**DevEx Resources (DEV)**

NSW Junee copper-gold project Nangus Road reconnaissance air-core drilling has delivered additional shallow gold intercepts. Assays lodged. Follow-up drilling planned.

**Red River Resources (RVR)**

Queensland Thalanga base metals project Far West underground mining operations have been suspended following a ground fall.

An operator involved in the fall has been discharged, following a medical examination, with no serious injuries.

**Energy**
**Deep Yellow (DYL)**

DYL's merger with Vimy Resources has been completed. Plans and previously flagged board composition lodged pre-trade.

UK and US equities markets overnight.

Inflation, recession and central bank policy remained firmly in focus, amid amplified geopolitical and global security disquiet.

The **Bank of England** convened a policy meeting at which policy makers unanimously determined to raise the main rate by 0.50% to 1.75%.

This followed four consecutive 0.25% rate increases.

The central bank also forecast UK inflation to peak at 13.3% and a recession to commence by year's end and continue through 2023.

Another **US Federal Reserve** regional president supported the view of increased risk of a US recession, while defending aggressive inflation control attempts.

In the meantime, the **European Central Bank** (ECB) published an economic bulletin which included a warning of slowing economic activity, citing 'Russia's unjustified aggression towards Ukraine' as 'an ongoing drag on growth'.

The (ECB) bulletin nominated a combination of cost increases, supply chain issues and uncertainty as 'significantly clouding' the outlook for second-half 2022 into 2023.

Earlier yesterday, the **International Atomic Energy Agency** (IAEA) ratcheted its warning regarding a potential nuclear incident from the **Russian-controlled Zaporizhzhia nuclear plant in Ukraine**.

The IAEA's director general described the facility's safety situation as 'extremely grave and dangerous'.

Meanwhile, three ships carrying a total ~58,000t of Ukrainian grown corn were reportedly scheduled to leave Ukrainian ports for Turkey and the UK later today.

For its part, **China** was deemed to have disrupted shipping and flights to and from **Taiwan** due to military drills which included the launch of at least 16 missiles.

Taiwan claimed 11 had landed in Taiwan's waters and Japan detected five in Japan's exclusive economic zone.

China's military confirmed the exercises included assaults on sea and ground targets and airspace control, this raising concerns at further global supply chain delays.

In addition, China's administrators cancelled bilateral talks with Japan, scheduled to take place during the ASEAN regional forum due to conclude later today in Cambodia.

In overnight **data** releases, a July construction PMI for the **euro zone** deteriorated to 45.7 from 47, against expectations of a slight improvement to 48.

**Germany's** June factory orders fell by 0.4% for the month following a 0.2% May decline. Economists had expected a 0.2% fall.

The June update came a day after AP Moeller-Maersk warned of weakening demand and rising warehouse inventories.

The national July construction PMI also surprised on the downside, falling to 43.7 from 45.9 following forecasts of an improvement to a nonetheless remaining contractionary 46.3.

In the **UK**, in addition to the Bank of England's statements and reports, the July construction PMI was estimated at a contractionary 48.9 from an expansion-mode 52.6 for June, and with forecasters anticipating a decline but activity remaining within expansion territory.

July new car sales were reported 9% lower than for July 2021.

## Pre-Open Announcements

### Sigma Healthcare (SIG)

SIG has appointed former Healthscope and Medibank Private (ASX: MPL) CFO Michael Sammells as SIG chair, effective yesterday.

Mr Sammells was appointed interim chair early July, on the sudden passing of SIG chair Ray Gunston.

He had joined the SIG board 1 February 2020.

Mr Sammells is also an AMP (ASX: AMP) director.

### Atomos Ltd (AMS)

AMS has appointed AMS chief technology officer and interim CEO Trevor Elbourne as AMS's new CEO.

Mr Elbourne is a founding AMS employee.

AMS has traded higher the past three sessions, settling at 34.5c yesterday.

### Cadence Capital (CDM)

Audiocast presentation and link lodged post-trade yesterday.

## Resources

### Greenwing Resources (GW1)

Argentina San Jorge lithium brine project drilling expected to commence September-October.

TEM electrical geophysical surveying completed.

### Bulletin Resources (BNR)

\$128,745 Geko gold mine production royalty in hand.

### Jindalee Resources (JRL)

Presentation lodged this morning.

## Energy

### Horizon Oil (HZN)

Conference presentation lodged post-trade yesterday.

## Trading Halts

Company	Code	Resuming
Arafura Resources	ARU	5 Aug
Peregrine Gold	PGD	5 Aug
Tyranna Resources	TYX	5 Aug
Zimi Ltd	ZMM	5 Aug
Atturra Ltd	ATA	8 Aug
Eden Innovations	EDE	8 Aug
European Lithium	EUR	8 Aug
Medical Developments International	MVP	8 Aug
Mesoblast Ltd	MSB	8 Aug
MOQ Ltd	MOQ	8 Aug
Nova Minerals	NVA	8 Aug
Proteomics International Laboratories	PIQ	8 Aug
Recharge Metals	REC	8 Aug



In the **US**, weekly new unemployment claims tallied 260,000, in line with expectations and following 254,000 the previous week.

A July job cuts report in the meantime estimated ~25,800 losses following ~32,500 for June. Forecasters had anticipated 34,000 new job losses.

June trade figures included a \$US79.6B trade deficit. Economists had predicted an \$83B shortfall following May's \$US84.9B deficit.

**Tonight** in the US, July employment figures, including a jobs creation tally, average earnings and unemployment and participation rates, are keenly anticipated.

Elsewhere, Germany reports June industrial production.

Companies scheduled to report earnings later today, tonight or over the weekend include: Allianz, AngloGold Ashanti, Berkshire Hathaway, ING, Itochu Corp, Isuzu Motors, Marubeni Corp, Mitsubishi Heavy Industries, Mitsui Chemicals, Rinnai, Suzuki Motor, and TELUS.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	1806.9	oz	30.5	1.7
<b>Silver (NY)</b> (Sep)	20.12	oz	0.23	1.2
<b>Gold (LON)</b> (3Aug)	1761	oz		
<b>Platinum</b>	929	oz	30	3.3
<b>WTI Crude</b> (NYMEX Sep)	88.54	bbf	-2.34	-2.1
<b>Brent Crude</b> (ICE EUR Oct)	94.12	bbf	-2.66	-2.8
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	107.03	t	-3.08	-2.9
<b>Copper</b> (LME 3mth Evening)	7727	t	50	0.7
<b>Nickel</b>	22230	t	-123	-0.6
<b>Aluminium</b>	2405	t	25	1.0
<b>Lead</b>	2047	t	23	1.1
<b>Zinc</b>	3439	t	174	5.3
<b>Tin</b>	24530	t	335	1.4

### Commodities Commentary

**Oil** – recession commentary, in particular out of the Bank of England, was cited as the main factor influencing overnight oil prices.

In addition, un-named sources were quoted as claiming two of OPEC's largest producers were prepared to lift northern hemisphere winter output should this be necessary to avert a supply crisis.

Meanwhile, indirect talks between US and Iran were confirmed to have recommenced in Vienna but accompanied by reports of little definitive progress anticipated within the short term.

A weekly US petroleum drill rig report is due tonight.

**Gold** – overnight gold interest benefited from geopolitical and global security concerns, coupled with a weaker \$US, Comex October futures trading at four-month highs and closing beyond the psychologically-significant \$US1800/oz.

A Bank of England (BoE) policy meeting overnight resulted in a 0.5% rate increase, the largest since 1995, and the fifth consecutive increase for the BoE. This was coupled with a greater-than-12-month UK recession warning and sobering prediction of 13.3% peak inflation.

This afternoon's Reserve Bank of India rates decision is unlikely to go unnoticed but release tonight of US monthly employment

### Suspensions *(selected)*

Company	Code	Since
Design Milk Co	DMC	2 Aug
Fintech Chain	FTC	1 Aug
Memphasys Ltd	MEM	29 Jul
Montem Resources	MR1	25 Jul
Technology Metals Australia	TMT	2 Aug
Tempest Minerals	TEM	4 Aug
Total Brain	TTB	3 Aug

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>JHG</b>	Today	39	0	5.84
DJW	Mon	7	100	4.15
FRI	Mon	2	100	5.48
BKI	Tue	4.65	100	3.74
AFI	Wed	14	100	2.96
RIO	Thu	383.7	100	11.40
SSR	Thu	7	0	1.15

### Reports & Events

(selected; all times AEST)

When	Company	Report/Event
<b>Today</b>	<b>SQ2</b>	Jun Q
<b>Mon</b>	AZJ	Full year
	DXC	Full year
	SUN	Full year
<b>Tue</b>	MP1	Full year
<b>Wed</b>	CBA	Full year
	DXI	Full year
<b>Thu</b>	AMP	Interim
	DOW	Full year
	MGR	Full year
	OFX	AGM
	QBE	Interim
	RMD	Jun Q (w/cast <b>NB Fri 12 Aug</b> 6.30am)
	TLS	Full year
	WDS	Interim
<b>Fri (12 Aug)</b>	BBN	Full year
	BFG	Full year
	HCW	Full year
	IAG	Full year



figures is the most keenly anticipated economic event expected to influence some end-of-week trade.

**Base metals** – a \$US fall and funds buying based on computer-set prices competed with recession talk during mixed overnight LME trade.

A three-month 50% draw on inventories and a Glencore warning supported **zinc**.

**China's July trade** statistics are anticipated over the weekend, and hence could add some caution to **tonight's** trade.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6963	0.0003	0.04
<b>EUR – USD</b>	1.0248	0.0084	0.83

### Australian Data Today

AiG	Services PMI (PSI)	Jul
RBA	Statement of Monetary Policy	Aug

### US Data Tonight

Employment (incl earnings, jobs, unemployment, participation)	Jul
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### Other Overseas Data Today & Tonight

<b>Japan</b>	Household spending	Jun
Japan	Average cash earnings	Jun
Japan	Leading economic index (prelim; 3pm)	Jun
<b>UK</b>	BBA mortgage rate	Jul
<b>Germany</b>	Industrial production	Jun
Germany	New domestic vehicle registrations	Jul

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

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