

Markets

SFE 200 Futures (9.30am AEST)	7807	-1	-0.0
NZX 50	11730	-65	-0.6
DJIA Futures	39643	-52	-0.1
S&P 500 Futures	5615	-7	-0.1
NASDAQ Futures	20595	-26	-0.1

Local Markets Commentary

The Australian market commences a new week's trade with material domestic data due, fresh data in hand from China over the weekend, and an international focus on political change.

US equities markets were again pushed higher in concert overnight Friday, this time by 0.2% - 0.9%.

Since overnight Friday trade:

- initial indications from France's second round of parliamentary election voting, completed yesterday, have suggested a left alliance victory and the far right in third position this time, this translating into a likely 'hung parliament';
- the presidential candidate considered the 'moderate' of the two who contested the run-off vote in Iran has been declared the victor and is now the nation's president-elect;
- Saudi Arabia was reported keen to develop ties with Iran;
- Russia's president and Hungary's prime minister concluded talks, which had been labelled a 'peace mission', in Moscow, Russia's president subsequently describing the discussions as 'useful';
- the UK's new parliamentary cabinet has been determined; and
- speculation has continued regarding the likelihood of the US president remaining a candidate in this year's US presidential election.

Locally today, the Australian Bureau of Statistics (ABS) publishes May **lending** figures, including for housing, at **11.30am** AEST.

At the same time, the Reserve Bank of Australia (RBA) releases May card transactions.

Regionally, over the weekend, **China** reported \$US3.222 trillion worth of June foreign exchange reserves from \$US3.232 trillion for May

Japan was scheduled to report May average cash earnings and June bank lending this morning, pre-trade.

In overnight Friday **commodities** trade, **oil** was pushed ~1% lower.

US **gold** (Comex) futures were pushed 1% higher, to approach \$US2370/oz.

Iron ore (Nymex CFR China, 62% Fe) ended the week with a further solid gain, settling above \$US111.0/t.

LME (3mth evening) **copper** added greater than 0.5%. **Nickel** turned, to climb by ~0.7%. **Aluminium** also turned higher, by

Today's Stock Watch
GQG Partners (GQG)

\$US155.6B FUM at 30 June from \$US150.1B at 31 May.

SKS Technologies Group (SKS)

Anticipating \$130M⁺ FY24 revenue, against \$120M⁺ guidance.

ARN Media (A1N)

Bus body advertising contract secured by A1N's Cody Outdoor with The Kowloon Motor Bus Company, Hong Kong.

\$A35Mpa contract revenue anticipated over ~six years.

Resources
Rex Minerals (RXM)

RXM has agreed a scheme-of-arrangement A47c cash-per-share takeover by 15.83% RXM shareholder MACH Metals Australia. RXM traded at 26c – 28c last week.

Emerald Resources (EMR)

Produced a record 114,076oz of Cambodia Okvau project gold during FY24, boosted by 28,245oz for the June quarter.

Sold 28,606oz at \$US2345/oz during the June quarter.

\$A162.3M cash and bullion on hand.

Regis Resources (RRL)

Produced 106,400oz of gold during the June quarter, pushing FY24 output to 417,700oz. Tropicana production fell short of guidance. \$295M cash and bullion.

Planning to lodge a full June quarter report and host a teleconference 25 July.

Ramelius Resources (RMS)

Produced a record 293,033oz of gold during FY24, buoyed by 82,058oz for the June quarter. \$446M cash and gold balance.

Encounter Resources (ENR)

West Arunta project Crean and Emily target drilling has delivered further high-grade and shallow niobium-REE intersections. Assays lodged this morning.

Additional results anticipated by month's end.

Hot Chili (HCH)

Establishing a new water company, Huasco Water, with Chile iron ore company Compania Minera del Pacifico (CMP).

HCH will hold 80% and CMP 20%.

HCH and CMP plan for Huasco Water to develop a seawater and desalinated water supply network, for use by communities and agricultural and mining developments.

CMP is HCH's 20% partner in Sociedad Minera El Aguila SpA, which holds critical water assets for HCH's Costa Fuego copper-gold project. The Costa Fuego water assets are being transferred into Huasco Water.



0.5%.

The **\$A** recouped ~US67.50c after trading at ~US67.35c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	39376	68	0.2
S&P 500	5567	30	0.5
NASDAQ	18353	164	0.9
FTSE 100	8204	-37	-0.4
DAX 30	18475	25	0.1
Shanghai Composite	2950	-8	-0.3

Overseas Markets Commentary

Major European and UK equities markets posted early gains but dropped substantially during second half overnight trade Friday.

This was when key US equities indices variously fell on opening or soon after, before rising sharply heading into US second-half trade.

Sentiment swell was in part attributed to select stock support, including 1.5% and 5.9% boosts for Microsoft and Meta Platforms respectively, to new record settlements.

The communications support sector on the S&P 500 closed at a level not seen since 2000, while NASDAQ achieved a 3.5% gain for the week.

For its part, US department store Macy's was propelled 9.5% higher on an increased takeover bid.

The UK had initially reacted to the decisive Labour party victory in the national election, meaning substantial parliamentary change.

France, meanwhile, was contemplating a second round of general election voting scheduled for Sunday. The uncertainty appeared to influence broader markets once the UK election results were confirmed.

In the US, June employment figures came in mixed, exceeding expectations for both the number of jobs created, and the unemployment rate, sparking a flurry of varied commentary.

US 10-year treasury yields reported dropped 0.07%.

In addition, a six-monthly US Federal Reserve monetary policy report was delivered to Congress ahead of Fed chair meetings with Senate and House of Representatives committees this week.

The report included Fed views that: the jobs market had rebalanced towards pre-Covid pandemic levels; that inflation had cooled 'notably' during 2023, with 'further progress' evident in 2024; and that the pace of residential property price rises were expected to revert to pre-pandemic levels 'over time'.

In geopolitical developments, the US administration promoted an increased chance of a breakthrough with Hamas-Israel ceasefire negotiations.

In the meantime, Hungary's prime minister was welcomed by Russia's president to Moscow, for talks including Russia's conflict with Ukraine. Hungary had recently on rotation, assumed the European Union presidency role.

Among overnight Friday **economic data** releases, the **US** June workforce statistics included the creation of 206,000 jobs, against

Pre-Open Announcements

HMC Capital (* HMC)

Proposing to invest up to \$50M over three years in battery energy storage specialist StorEnergy Pty Ltd.

Murray Cod Australia (* MCA)

Early results from the MCA-CSIRO breeding program indicate significant potential commercial advantage from genetic variation.

In addition, MCA is planning to sell and lease back five properties hosting hatcheries, nurseries and grow-out facilities.

FBR Ltd (* FBR)

An FBR Hadrian X construction robot is in the US for the first time.

Successful completion of site acceptance testing will trigger a \$US600,000 CRH Ventures payment to FBR, and enable a demonstration program to begin.

Prestal Holdings (* PTL)

Paying a 7c fully-franked special dividend.

YPB Group (* YPB)

YPB is in receipt of binding commitments for two \$1.5M private placements, each at 0.2c per share.

The company traded at 0.2c throughout last week.

Activeport Group (ATV)

ISP Iperium has chosen ATV software for back office support for Iperium's multi-service dark fibre project in Australia.

Details lodged this morning.

Ansarada Group (AND)

Chief commercial officer Stuart Clout has retired from his AND executive responsibilities but is remaining with AND as a non-executive director.

Resources

South32 Ltd (* S32)

Late-trade Friday, S32 advised the proposed sale of the Illawarra metallurgical coal assets had been approved by Australia's Foreign Investment Review Board (FIRB).

Other approvals remain outstanding.

Ora Banda Mining (OBM)

OBM has appointed Killi Resources (ASX: KLI) CEO Kathryn Cutler as an independent director.

Dateline Resources (DTR)

DTR has withdrawn the 1c-per-share right offer announced 12 June.

The company has traded beneath 1c since 19 June.

DTR had been targeting up to \$4.2M in support of Colosseum gold and rare earths project exploration and mine planning, debt reduction and general working capital.



consensus for 190,000.

May's job creation tally was notably revised from 272,000 to 218,000.

April's initial estimate was also cut, from 165,000 new jobs to 108,000.

Notably, hourly earnings rose by 0.3% rather than by the 0.4% recorded for May.

The slower job creation and earnings growth appeared to significantly bolster expectations of a US interest rate cut by the end of September.

In addition, the unemployment rate rose to an ~2.5-year peak of 4.1% from 4.0%, against forecasts for no change.

The participation rate was estimated at 62.7% from 62.6%.

Euro zone May retail sales were calculated 0.1% higher for the month following a 0.2% fall in April. Forecasters had anticipated a 0.2% turn higher for the new month.

Against May 2023, sales were up 0.3% against the 0.6% annualised increase recorded for April.

Germany's May industrial production surprised on the downside, dropping by 2.5% against consensus for a 0.2% increase following a 0.1% rise.

In the **UK**, the Halifax house price index indicated a 0.2% price fall during June against expectations for a 0.2% appreciation following April's no change.

Against June 2023, prices were up by 1.6%, the same annualised increase recorded for May.

The BBA June mortgage rate was calculated in the meantime at 7.98% from 7.93% for May.

Tonight in the US, May consumer credit and June consumer inflation expectations are due.

Preparations continue in the meantime for a Washington-hosted three-day NATO summit, scheduled to commence overnight tomorrow.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Aug)	2397.7	oz	28.3	1.2
Silver (COMEX 5000 Sep)	31.69	oz	0.85	2.8
Platinum	1028	oz	30	3.0
WTI Crude (NYMEX Aug)	83.16	bbbl	-0.72	-0.9
Brent Crude (ICE EUR Sep)	86.54	bbbl	-0.89	-1.0
Iron Ore (NYMEX CHN port;62%Fe)	111.31	t	0.99	0.9
Copper (LME 3mth Evening)	9965	t	62	0.6
Nickel	17386	t	128	0.7
Aluminium	2541	t	13	0.5
Lead	2243	t	11	0.5
Zinc	3008	t	15	0.5
Tin	33879	t	741	2.2

Commodities Commentary

Oil – since overnight Friday trade, Iran's new president-elect has reiterated a desire to revive international negotiations to address a 2015 nuclear agreement over which Iran was sanctioned

Energy

Grand Gulf Energy (GGE)

Helium offtake agreement secured with Green Natural Gas. Details lodged this morning.

Trading Halts

Company	Code	Resuming
Green Critical Minerals	GCM	8 Jul
Larvotto Resources	LRV	8 Jul
Linus Technologies	LNU	8 Jul
Moab Minerals	MOM	9 Jul
Patagonia Lithium	PL3	9 Jul
Power Minerals	PNN	8 Jul
Toys'R'Us ANZ	TOY	9 Jul
West Cobar Metals	WC1	8 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
Indiana Resources	IDA	4 Jul
NSX Ltd	NSX	27 Jun
OZZ Resources	OZZ	20 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CKF	Today	15.5	100	3.04
KAT	Tomorrow	0.5	100	1.65
RHI	Tomorrow	150	100	0.00
CD2	Wed	7	0	0.00
CD3	Wed	7	0	0.00
TCO	Thu	5	100	0.00
WGX	Thu	1.25	100	0.38
MTS	16 Jul	8.5	100	6.04
GVF	17 Jul	1	100	5.30
TRA	17 Jul	6.87	85	5.30



following accusations of non-compliance.

US administrative promotion of improved prospects for a Hamas-Israel ceasefire appeared to largely influence overnight Friday trade, pushing prices lower on perceptions of reduced supply disruption potential.

An ongoing watch on Hurricane Beryl, however, capped price falls, due to the unpredictability of the degree of some likely Gulf of Mexico/Texas operational impact.

In addition, US June employment data helped support views of a possible US interest rate reduction in September, which translates into expectations of increased activity and hence greater oil demand.

A weekly US petroleum drill rig report published overnight Friday by Baker Hughes, included no change for the operation oil rigs tally of 479. Six additional gas and 'miscellaneous' rigs were reported in action, however.

Gold – overnight Friday sentiment appeared mostly influenced by new US data that indicated the US employment market was cooling and that a US interest rate cut before year's end was more likely than not.

This helped push the \$US index to a three-week low, supporting buying sentiment, albeit amid remaining relatively low-volume trade.

US Federal Reserve chair Jerome Powell is scheduled to meet with Senate and House of Representatives committees overnight Tuesday and Wednesday respectively, ahead of a US inflation update, keenly anticipated overnight Thursday.

Mr Powell's prepared commentary and replies to questions could influence some trade, even while a biannual report delivered to Congress members on Friday, ahead of the meetings, appeared to underscore this past week's public comments from the Fed chair and other Fed officials.

Elsewhere, key data releases are also due for the UK and China and a central bank rates decision for New Zealand.

Base metals – overnight Friday base metals sentiment appeared supported by commentary suggesting US employment data could bring a sooner-rather-than later interest rate reduction for the US, and perhaps two by year's end.

With the \$US index consequently trading at three-week lows, buying sentiment pushed prices higher.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6747	-0.0001	-0.02
EUR – USD	1.0827	-0.0011	-0.11

Australian Data Today

ABS	Lending indicators	May
RBA	Card transactions	May

US Data Tonight

Consumer credit	May
Consumer inflation expectations	Jun



Overseas Data Today and Tonight

Japan	Average cash earnings	May
Japan	Bank lending	Jun
Germany	International trade	May
Euro zone	Sentix investor confidence	Jul

Need More Information?

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