

Markets

SFE 200 Futures (9.30am AEST)	7256	11	0.2
NZX 50	12744	-4	-0.0
DJIA Futures	34579	11	0.0
S&P 500 Futures	4351	1	0.0
NASDAQ Futures	14810	8	0.1

Local Markets Commentary

The Australian market opens today's trade with an overnight \$A fall, the Reserve Bank of Australia (RBA) governor scheduled to speak publicly during the middle of the day, new data in hand from China, and increased Middle East tensions, ahead of key reports out of the euro zone and US tonight.

Overnight international equities trade proved ultimately positive. Meanwhile, Germany, Indonesia, Japan, South Korea and the UK reported notable increases in daily new Covid-19 diagnoses.

Sydney is expected to report similarly today.

Also overnight, a rocket attack on a western Iraq military air base hosting international personnel reportedly injured two US service members. A US response is anticipated.

Locally today, Reserve Bank of Australia (RBA) governor Philip Lowe will speak at 12.30pm AEST during an Economic Society of Australia webinar.

Dr Lowe will also take questions following his address.

The RBA's monthly government securities and semis holdings release, 11.30am AEST, will also attract attention, given the RBA's post-policy meeting statements this week regarding purchases and its focus on proportions.

In addition, the RBA reports monthly **business lending** today, also at 11.30am.

Regionally, post-ASX trade yesterday, **China** reported June foreign exchange reserves at \$US3.214 trillion worth, following \$US3.22 trillion at the end of May, and against expectations of \$US3.2 trillion.

In overnight commodities trade, **oil** settled lower for a second consecutive session.

US **gold** futures continued higher, surpassing \$US1800/t.

Qingdao **iron ore** (CFR China, 62% fines) edged a bare US3c/t higher, to \$US222.39/t.

Nymex iron ore (CFR China, 62%) gained slightly, reaching \$US218.11/t.

LME **copper** and **nickel** swung higher and rallied. **Aluminium** extended Tuesday's decline.

The **\$A** fell below US74.85c after trading beyond US75.10c early yesterday evening.

* Copper and gold exploration listing – 11am AEST – LKY *

* Gold exploration listing – 11.30am AEST – PGO *

Today's Stock Watch

AMP Ltd (AMP) / Macquarie Group (MQG)

MQG's Macquarie Asset Management is outlaying up to \$A185M for AMP Capital's global equities and fixed income business.

Details, including AUM figures, lodged pre-trade.

Unibail Rodamco Westfield (URW)

Rebranding six shopping centres in the European cities of Barcelona, Lyon, Oberhausen and Vienna as Westfield.

Myer Holdings (MYR) / Premier Investments (PMV)

MYR is inviting major shareholders, including 15% MYR investor PMV to discuss 'appropriate' PMV board representation.

The Star Entertainment Group (SGR)

The Star Sydney will remain closed until 11.59pm 16 July, due to the extended Covid-19 – related Sydney lockdown.

The Star Gold Coast and the Treasury Casino & Hotel, Brisbane reopened late last week, but capacity restrictions and other Covid-19 management measures remain in place.

Worley Ltd (WOR)

Refining and petrochemicals contract through to EPC secured with Red Sea National Refining & Petrochemicals Company for a new complex in Egypt.

AFT Pharmaceuticals (AFP)

Non-opioid pain relief treatment Maxigesic IV launched in Germany and Austria.

Resources

Alkane Resources (ALK)

Produced 56,958oz of gold during FY21 with a \$A1320/oz AISC. \$73.9M cash, bullion and listed investments.

Anticipating 55,000oz – 60,000oz FY22 gold output, with a \$A1450/oz - \$A1600/oz AISC.

Metalicity Ltd (MCT) / Nex Metals Explorations (NME)

WA goldfields Kookynie gold project McTavish prospect RC drilling has delivered several high-grade, including some bonanza, intersections. Assays lodged this morning.

MCT has earned 51% of the Kookynie project from NME.

Burley Minerals (BUR)

Iron ore and base metals explorer BUR completed an enviable ASX listing yesterday, following a \$6M IPO at 20c per share.

Opened at 38c and traded at 36 – 41c before settling at 37.5c. 4.87M shares changed hands across 601 transactions.

34.32M quoted shares.

**Overseas Markets.**

INDEX	CLOSE	+/-	%
Dow Jones	34682	104	0.3
S&P 500	4358	15	0.3
NASDAQ	14665	1	0.0
FTSE 100	7151	50	0.7
DAX 30	15693	181	1.2
Shanghai Comp	3554	23	0.7

Overseas Markets Commentary

Major European, UK and US equities markets opened variously higher overnight, and despite some early US trade swings, sentiment mostly improved towards second-half trade.

US Federal Reserve June policy meeting minutes revealed broad acknowledgement of the need to consider asset purchase tapering, perhaps earlier than anticipated, due to the pace of US economic recovery, potential inflation risk and the improved Covid-19 vaccination program.

Policy committee members also noted however, that the recovery remained uneven.

Among overnight **data** releases, **Germany's** May industrial production fell 0.3% for the month, as it did in April, defying expectations of a 0.7% improvement.

In the **UK**, the Halifax house price index declined by 0.5% during June. Forecasters had anticipated a 2.0% rise, following May's 1.2% increase.

Against June 2020, the new reading was 8.8% higher.

In the **US**, the IBD/TIPP economic optimism index was reported 2.1 points lower, at 54.3.

A May job openings report included an estimated 9.21M opportunities, following forecasts of 9.1M and against 9.19M for April.

Tonight in the US, weekly new unemployment claims are due, together with May consumer credit.

Elsewhere, the **European Central Bank** (ECB) releases the minutes of its June monetary policy meeting.

Companies scheduled to report earnings later today and tonight include Levi Strauss and Japan's Nomura.

In overnight corporate news, **Samsung** attributed an anticipated 53% increase in June quarter profit, to \$US11B, to the global memory chip shortage.

Chip sales, at higher prices, compensated for reduced device sales on account of component supply shortages.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1803.9	oz	9.7	0.5
Silver (NY) (Sep)	26.22	oz	0.05	0.2
Gold (LON)	1810	oz		
Platinum	1080	oz	-7	-0.6
WTI Crude (NYMEX Aug)	72.20	bbbl	-1.17	-1.6
Brent Crude (ICE EUR Sep)	73.43	bbbl	-1.10	-1.5

Pre-Open Announcements**Payright Ltd (* PYR)**

PYR has secured an agreement with Mint Payments to integrate the PYR buy now – pay later (BNPL) product into Mint's online payments processing system.

Envirosuite Ltd (* EVS)

Heralding record quarterly sales.

Details and additional statistics lodged pre-trade.

Flexiroam Ltd (FRX)

Non-executive director Tuckyin Choy has resigned from the FRX board.

Silk Logistics Holdings (* SLH)

Integrated logistics company scheduled to list on the ASX midday AEST **tomorrow**, following a \$70M IPO plus share transfer at \$2.00 per share.

75.76M quoted shares.

DRA Global (* DRA)

Engineering and project and operations management firm scheduled to list on the ASX 1pm AEST **tomorrow**, following an ~\$11.67M IPO at \$3.95 per share.

~54.23M quoted shares.

Resources**Locksley Resources (* LKY)**

NSW copper and gold-focused explorer scheduled to list on the ASX **11am** AEST, following a \$5M IPO at 20c per share.

~28.95M quoted shares.

Pacgold Ltd (* PGO)

Gold explorer scheduled to list on the ASX listing **11.30am**, following a \$6M IPO at 25c per share.

32.42M quoted shares.

Rio Tinto (* RIO)

RIO has appointed Akzo Nobel general counsel Isabelle Deschamps as chief legal officer & external affairs, effective 25 October.

Ms Deschamps will take over from Barbara Levi who was appointed UBS general counsel in April, but who is remaining with RIO until late October.

Rumble Resources (* RTR)

Earaheedy project Chinook Zn-Pb prospect step-out drilling has extended known mineralisation by 700m in a SW – NE direction and by 900m SE – NW.

Resources & Energy Group (* REZ)

WA Granny Venn open pit gold mine drill and blasting operations underway.

Initial production anticipated for September.



Iron Ore (NYMEX,CHN,62%)	218.11	t	0.53	0.2
Copper (LME Ind)	9465	t	151	1.6
Nickel	18320	t	328	1.8
Aluminium	2488	t	-41	-1.6
Lead	2289	t	-8	-0.4
Zinc	2958	t	22	0.8
Tin	31670	t	1	0.0

Commodities Commentary

Oil – price swings featured in overnight trade for a second consecutive session, amid expectations of production duels in the wake of the OPEC+ failure to agree on production curb tapering, including for how long.

Ultimate price falls proved of a similar magnitude to early gains.

The gains were in part attributed to reports Russia was mediating for Saudi Arabia and the UAE.

Overnight, post-US trade, the American Petroleum Institute (API) published a weekly report, including a 7.98MMbbl drawdown on crude stocks.

Weekly US petroleum inventories, as calculated by government agency the EIA, are due tonight.

Overnight, the EIA revealed it expected 2021 domestic daily output to fall by 210,000bbl, 20,000bbl/d fewer than the agency had previously predicted.

The EIA also forecast international supply to exceed consumption during the second half of 2021 and consequently keep prices at a mean \$US72/bbl.

US 2021 production was anticipated to average 11.85MMbbl/d, the EIA predicted, however, against expected 19.64MMbbl/d consumption of petroleum and other liquid fuel products.

Gold – Comex futures broke through \$US1800.00/oz again overnight, and improved some post-settlement, following the release of US Federal Reserve June policy meeting minutes.

Falling US treasury yields again supported some interest.

European Central Bank June policy meeting minutes could influence some of tonight's trade.

Base metals – \$US swings, supply-demand commentary and generally positive international equities sentiment appeared the major influences on overnight LME trade.

Meanwhile, higher mineral resources taxes were muted for Peru.

China's inflation figures, due tomorrow, are likely to influence at least some of late-week trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7485	-0.0020	-0.27
EUR – USD	1.1796	-0.0035	-0.29

Australian Data Today

RBA	Government securities & semis holdings	Jun
RBA	Business lending	Jun

Askari Metals (AS2)

Mineral explorer completed a successful ASX listing yesterday, following a \$5.729M IPO at 20c per share.

Opened at 25.5c and traded at 22.5c – 27c before settling at 23c. ~4.93M shares changed hands across 425 transactions.

30.156M quoted shares.

Charger Metals (* CHR) / Lithium Australia (LIT)

Mineral explorer CHR is scheduled to list on the ASX 11am AEST tomorrow, following a \$6M IPO at 20c per share.

32M quoted shares.

LIT holds 19.05%.

Energy

Energy Resources of Australia (* ERA) / Rio Tinto (RIO)

ERA ceased Northern Territory Ranger uranium project processing 8 January, and hence produced no uranium oxide during the June quarter.

ERA is selling 1.37Mlbs of stockpiled uranium oxide on contract during 2021, but the balance is being sold into the spot market.

In addition, ERA has suspended Ranger 3 Deeps development, and is continuing decline backfilling.

RIO holds 86.33% of ERA.

Trading Halts

Company	Code	Resuming
Cirralto Ltd	CRO	8 Jul
Fertoz Ltd	FTZ	8 Jul
Mako Gold	MKG	8 Jul
Crater Gold Mining	CGN	9 Jul

Suspensions (select)

Company	Code	Since
Gold Mountain	GMN	21 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
KAT	13 Jul	0.5	100	1.90
TRA	13 Jul	5.63	85	6.54
DBF	15 Jul	6.2	0	0.00
EZL	19 Jul	13.5	100	4.29

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
15 Jul	AST	AGM
	WPL	Jun Q

**US Data Tonight**

Initial jobless claims	3 Jul
Consumer credit	May

Other Overseas Data Today & Tonight

Japan	Eco watchers survey	Jun
Germany	Trade balance	May
Euro zone	ECB policy meeting minutes	Jun

Need More Information?

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16 Jul	RIO	Jun Q
20 Jul	BHP	Jun Q
21 Jul	SYR	Jun Q
22 Jul	NCM	Jun Q
	STO	Jun Q
23 Jul	MIN	Jun Q
27 Jul	OZL	Jun Q
28 Jul	RIO	Interim
	SBM	Jun Q
29 Jul	CCP	Full year
	FMG	Jun Q
	IGO	Jun Q
	IRE	Investor day
	JHG	Jun Q
30 Jul	FFG	AGM
	ICI	AGM
	OGC	Jun Q
	ORG	Jun Q