

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	7129	-68	-0.9
<b>NZX 50</b>	12559	-93	-0.7
<b>DJIA Futures</b>	33933	94	0.3
<b>S&amp;P 500 Futures</b>	4262	11	0.3
<b>NASDAQ Futures</b>	14590	49	0.3

**Local Markets Commentary**

The Australian market commences today's trade with a further \$A depreciation and key report due from the Reserve Bank of Australia (RBA) late morning, following overnight risk-burdened international equities and key commodities trade attributed to Covid economic impact fear.

US futures have turned higher this morning.

**Locally** today, Covid containment scenarios are considered fluid across four Australian States.

Among anticipated report releases, **RBA** publishes the minutes of the 6 July **policy** meeting 11.30am AEST.

In the meantime, quarterly reports and trading updates continue.

**Regionally** today, **Japan** is scheduled to release a June **CPI** reading, pre-ASX trade, and just days after the Bank of Japan revised this financial year's core CPI growth from 0.1% to 0.6%.

The **People's Bank of China** is due to reveal one-year and five-year loan prime **rates**, 11.30am.

In overnight commodities trade, **oil** tumbled.

US **gold** futures extended Friday's turn lower.

**Iron ore** prices declined relatively little, Qingdao (CFR China, 62% fines) trading US\$39c/t lower to \$US221.04/t, and Nymex iron ore (CFR China, 62% fines) futures maintaining \$US219.5/t.

LME **copper** and other key base metals fell.

The **\$A** continued lower, to ~US\$73.45c, after falling below ~US\$73.55c early yesterday evening.

*Meanwhile, Japan's markets will be closed Thursday and Friday, due to public holidays.*

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	33962	-726	-2.1
<b>S&amp;P 500</b>	4258	-69	-1.6
<b>NASDAQ</b>	14275	-152	-1.1
<b>FTSE 100</b>	6844	-164	-2.3
<b>DAX 30</b>	15133	-407	-2.6
<b>Shanghai Comp</b>	3539	-0.2	-0.0

**Overseas Markets Commentary**

Major European, UK and US equities markets fell on opening overnight, sentiment never looking seriously like recovering

\* Mineral exploration listing – 1.30pm AEST – WMG \*

**Today's Stock Watch**
**Australia & New Zealand Banking Group (ANZ)**

Planning to buy back up to \$1.5B worth of shares on-market, likely from next month.

This will likely lower the 12.2% reported 31 March CET1 by 0.35%. APRA requires a minimum 10.5% CET1.

ANZ has ~2.85B fully paid shares on issue.

**Insurance Australia Group (IAG)**

49% IAG-held AMGeneral Holdings Berhad is planning to sell its insurance business to Liberty Insurance Berhad, pending approvals. In association, IAG will sell its AMGeneral interest, for an anticipated \$340M cash. IAG anticipates realising an ~\$90M loss, to be recorded in FY21 results.

**JB Hi-Fi (JBH)**

June quarter sales have boosted anticipated FY21 sales to \$8.92B, 12.6% higher than for FY22.

FY21 NPAT is estimated 67.4% higher, at \$506.1M.

**HUB24 Ltd (HUB)**

\$58.6B FUM, bolstered by record \$8.9B worth of annual net inflows.

**PointsBet Holdings (PBH)**

PBH subsidiary PointsBet Arizona has secured an exclusive agreement with Yavapai-Apache Nation organisation Cliff Castle Casino Hotel for Arizona online sports betting access.

**Resources**
**BHP Group (BHP)**

FY21 iron ore output rose by 2% to 253.5Mt, bolstered by a 9% June quarter increase (for the three months) to 65.2Mt.

FY21 petroleum production dropped 6% to 102.8MMboe, despite a 6% June quarter increase to 27.0MMboe.

Copper production respectively fell 5% to 1.636Mt and rose 3% to 403,000t.

FY21 Metallurgical coal production declined 1% to 40.6Mt and energy coal by 17% to 19.3Mt. Respective June quarter output rose 23% to 11.8Mt and 31% to 6.3Mt, however.

Nickel output rose a respective 11% and 10% to 89Mt for FY21, boosted by 22.4Mt during the June quarter.

Comprehensive breakdown of 2H FY21 impacts on financial results also lodged this morning.

**Energy**
**Ampol Ltd (ALD)**

\$US6.29/bbl June quarter Lytton refiner margin, from \$US5.48/bbl for the March quarter. Additional statistics lodged pre-trade.



throughout respective trading sessions.

Covid resurgence attention appeared to turn to the US in addition to weeks of commentary centred largely on Asian regions, Europe and the UK, this in particular, raising risk apprehension among investors.

In the meantime, Germany's central bank the Bundesbank published a monthly report, this including expectations of relatively strong June and September quarter GDP growth.

All predictions came with a warning of manufacturing supply bottlenecks and remaining Covid impact uncertainties.

While the report was prepared prior to catastrophic flooding in western Germany, physical and social recovery programs were viewed by report commentators as supportive of GDP growth.

The floods have devastated livelihoods and day-to-day life within the affected North Rhine-Westphalia region, but most of Germany's industrial activity is located elsewhere.

In scant overnight **data** releases, **euro zone** May construction output was calculated 13.6% higher than for May 2020, following forecasts for an 18.9% increase.

In the **US**, June a home builders' housing market index slipped to 80 from 81

Meanwhile, 10-year US treasury bond yields were recorded at levels not seen in five months, below 1.20%.

**Tonight** in the US, June housing starts and building permits are due.

Elsewhere, Germany reports June producer prices.

Companies scheduled to report earnings later today and tonight include: Chipotle, Electrolux, Halliburton, Manpower, Netflix, Travelers, United Airlines, UBS and Volvo.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1809.2</b>	oz	-5.8	<b>-0.3</b>
<b>Silver (NY) (Sep)</b>	<b>25.14</b>	oz	-0.65	<b>-2.5</b>
<b>Gold (LON)</b>	<b>1824</b>	oz		
<b>Platinum</b>	<b>1068</b>	oz	-27	<b>-2.5</b>
<b>WTI Crude (NYMEX Aug)</b>	<b>66.42</b>	bbl	-5.39	<b>-7.5</b>
<b>Brent Crude (ICE EUR Sep)</b>	<b>68.62</b>	bbl	-4.97	<b>-6.8</b>
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>219.50</b>	t	-0.27	<b>-0.1</b>
<b>Copper (LME Ind)</b>	<b>9208</b>	t	-217	<b>-2.3</b>
<b>Nickel</b>	<b>18400</b>	t	-669	<b>-3.5</b>
<b>Aluminium</b>	<b>2419</b>	t	-70	<b>-2.8</b>
<b>Lead</b>	<b>2282</b>	t	-38	<b>-1.6</b>
<b>Zinc</b>	<b>2957</b>	t	-47	<b>-1.6</b>
<b>Tin</b>	<b>33695</b>	t	109	<b>0.3</b>

### Commodities Commentary

**Oil** – overnight prices dropped in response to the late-weekend news of greater supply to come out of OPEC+, just as fears of further Covid-spawned disruption to international economic growth, and hence crude demand were reignited.

WTI August futures expire at the close of tonight's session. September delivery WTI settled at \$US66.35/bbl overnight, down \$US5.21/bbl.

## Pre-Open Announcements

### Platinum Capital (\* PMC)

June quarter investment managers report lodged post-trade yesterday, including top-10 holdings as at 30 June.

These include Samsung Electronics, Glencore, AIA Group and Microchip Technology.

### Fidelity Global Emerging Markets Fund (\* FEMX)

Top-10 stock positions as at 30 June lodged post-trade yesterday, these headed by Taiwan Semiconductor Manufacturing Company, AIA Group and HDFC Bank, and including Samsung Electronics.

### Sky City Entertainment Group (\* SKC)

Renewed Covid containment restrictions in South Australia mean SKC's Adelaide casino facilities will be closed (from midnight overnight) until at least midnight Friday.

### Genesis Energy (\* GNE)

Revising FY21 EBITDAF guidance to \$NZ405M - \$NZ410M.

Retaining the group's Kupe interest.

June quarter performance report also lodged pre-trade.

### Mercury NZ (\* MCY)

June quarter operational statistics lodged this morning.

In addition, MCY has appointed former Contact Energy (ASX: CEN) CEO Dennis Barnes as a non-executive director, effective 1 September.

This is in association with the planned retirement of Keith Smith, who has been an MCY board member for ~12 years.

### Costa Group Holdings (CGC)

CGC has completed its acquisition of 2PH Farms.

### 1414 Degrees (14D)

Non-executive 14D director Kevin Moriarty has resigned, effective immediately.

In association, general meeting plans advised Friday last week have been scrapped.

### Gefen International AI (\* GFN)

Online marketplace scheduled to list on the ASX 10.30am AEST **tomorrow**, following a \$25M IPO at \$1.00 per share. ~54.82M listed shares.

### BCAL Diagnostics (\* BDX)

NSW-headquartered breast cancer blood-based diagnostic test developer scheduled to list on the ASX 11.30am AEST **tomorrow**, following a \$10M IPO at 25c per share. ~131.53M quoted shares.

### Openn Negotiation (\* OPN)

Holding company operating a business for online property negotiation and sales scheduled to list on the ASX midday AEST **tomorrow**, following a \$9M IPO at 20c per share. 114.725M quoted units.



**Gold** – the \$US remained relatively strong overnight, and despite a second consecutive fall for US Comex futures, these remained above their 100-day moving average, with a notably moderate decline.

A broad equities and commodities reaction to perceived risk prevailed, however.

**Base metals** – Covid-fuelled angst on perceptions of a potential international economic recovery suspension, coupled with another weekend warning from a government official in China regarding commodities speculation and hoarding, pushed overnight LME *copper* prices to four-year lows.

In addition, LME-registered warehouse copper stocks were reported to have doubled within two months, to 226,300t.

*Tin* prices notably continued higher overnight, due to several factors seen as likely impacting supply for some time.

### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7340	-0.0041	-0.55
EUR – USD	1.1791	-0.0011	-0.09

### Australian Data Today

RBA	Policy meeting minutes	6 Jul
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### US Data Tonight

Building permits	Jun
Housing starts	Jun

### Other Overseas Data Today & Tonight

<b>China</b>	Loan prime rates (1yr and 5yr)	Jul
<b>Japan</b>	CPI	Jun
<b>Germany</b>	Producer prices	Jun

### Need More Information?

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## Resources

### Western Mines Group (\* WMG)

Mineral exploration company scheduled to list on the ASX 1.30pm AEST, following a \$5.5M IPO at 20c per share. ~31.66M quoted shares.

### Adriatic Metals (\* ADT)

Bosnia and Herzegovina Vares silver project Rupice underground deposit exploitation permit in hand.

DFS and ESIA yet to be completed, but construction is expected to commence by year's end.

### Walkabout Resources (WKT)

WKT has appointed long-term large and small mining company finance officer Tony Allen as CFO, effective yesterday.

Recent acting CFO Shaun Menezes will continue as WKT's acting company secretary.

### Red Mountain Mining (RMX)

\$791,914 better off, due to the exercise of ~98.99M options due to expire 14 July.

39.65M options with a 14 July expiry date have lapsed.

The options were exercisable at 0.8c each.

RMX traded at 0.9c – 1.05c last week.

## Energy

### Yancoal Australia (\* YAL)

Produced 15.0Mt of ROM coal and 8.8Mt of attributable saleable coal during the June quarter, respectively 5% and 2% more than for the March quarter.

Sold 8.6Mt (in line with the March quarter) at \$A101/t, \$A13/t higher than for the March quarter.

Revising expected 2021 cash operating costs, excluding royalties, to \$A62/t - \$A64/t from \$A60/t - \$A62/t, due to ongoing cost increases.

Recent sale price improvements are expected to be retained.

### Trading Halts

Company	Code	Resuming
Australian Strategic Metals	ASM	21 Jul
Helios Energy	HE8	21 Jul
Jervois Mining	JRV	21 Jul
Kula Gold	KGD	21 Jul
Ragnar Metals	RAG	21 Jul
Total Brain	TTB	21 Jul
Woomera Mining	WML	21 Jul

### Suspensions (selected)

Company	Code	Since
Cirralto Ltd	CRO	14 Jul
Crater Gold Mining	CGN	9 Jul

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Field Solutions Holdings	FSG	14 Jul
Heron Resources	HRR	16 Jul

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>TLT</b>	Today	<b>6.11</b>	0	0.00
KPG	Tomorrow	0.36	100	1.41
MIR	28 Jul	8.5	100	2.56
MIRNA	28 Jul	4.25	100	0.00

**Reports & Events**

(selected; all times AEST)

When	Company	Report/Event
<b>Today</b>	<b>BHP</b>	Jun Q
	<b>GNE</b>	Jun Q
	<b>HUB</b>	Jun Q
	<b>JBH</b>	Jun Q
	<b>M7T</b>	Jun Q
	<b>MCY</b>	Jun Q
<b>Tomorrow</b>	CIM	Interim
	SYR	Jun Q
<b>Thu</b>	NCM	Jun Q
	STO	Jun Q
<b>Fri</b>	MIN	Jun Q
<b>26 Jul</b>	AFI	Full year (NB: webinar 27 Jul 3.30pm)
	LYC	Jun Q
<b>27 Jul</b>	OZL	Jun Q
<b>28 Jul</b>	RIO	Interim
	SBM	Jun Q
<b>29 Jul</b>	CCP	Full year
	FMG	Jun Q
	IGO	Jun Q
	IRE	Investor day
	JHG	Jun Q
<b>30 Jul</b>	FFG	AGM
	ICI	AGM
	OGC	Jun Q
	ORG	Jun Q