

Markets

SFE 200 Futures (9.30am AEST)	5945	42	0.7
NZX 50	11388	38	0.3
DJIA Futures	25591	16	0
S&P 500 Futures	3103	-0.1	-0
NASDAQ Futures	10269	1	0.1

Local Markets Commentary

The Australian share market was looking to a bright start this morning, taking its cue from Wall Street which rallied on positive coronavirus vaccine sentiments overnight.

ASX futures were up 42 points (0.7%) to 5945 this morning as the Australian dollar also edged up after both the S&P 500 and the Nasdaq gained overnight.

Virgin Australia announced after its sale to Bain Capital it would add another 17 routes to its domestic network and has plans to have about 40 planes operating by the middle of August.

Virgin group chief commercial officer John McLeod said travel plans were back on the agenda for many Australians and a number of planned holidays destinations were set to be reopened.

New Citi research showed domestic airline departures were up 34% during the last week, driven primarily by flights between Perth and Brisbane.

Countrywide the number of flights climbed from 87 a day to 117, but airline travel still remained largely grounded at 80% of what it was pre-COVID-19.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25734	-77	-0.3
S&P 500	3115	16	0.5
NASDAQ	10154	96	0.9
FTSE 100	6157	-12	-0.2
DAX 30	12260	-50	-0.4
Shanghai Comp	3025	41	1.4

Overseas Markets Commentary

The **S&P 500** and the **Nasdaq** both closed higher as COVID-19 fears of another lockdown in the United States abated as hopes rose for a coronavirus vaccine.

S&P/ASX indices - quarterly rebalance revealed this morning.
 Please see pp4-5 for details

Today's Stock Watch

Galaxy Resources (GXY)

The lithium producer reports 25,997 tonne shipments in the June quarter and said exports were 25% higher in the March quarter. GXY shares closed at 80c and have recovered 11.1% from a March 12 low of 72c.

SRG Global (SRG)

Engineering contractor SRG has slashed full year earnings guidance to between \$20 million and \$21 million, having forecast full year EBITDA of \$30 million and \$34 million. The company cited COVID-related impacts for lower earnings and is forecasting EBITDA growth of about 50% for FY21. The company had deferred payment of a 0.5c interim dividend to October but said it will now make the payment on July 30.

Kathmandu (KMD)

Reports total group sales in the 10 months to May 31 were down 15.1% but sales had exceeded expectations after the reopening of stores from the coronavirus lockdown. It has forecast EBITDA for FY20 of above \$70 million.

Pre-Open Announcements

Incannex (IHL)

IHL reported it expects to report cash sales of \$671K for the June quarter, its largest quarter of sales since listing on the ASX in November 2016 off the back of a significant ramp up of medicinal cannabis revenue.

AuMake (AU8)

Reports growing Chinese traffic to its online authentic Australian and New Zealand products shopping experience and says its Broadway Online platform has, since its launch in February 2020, driven online purchases from over 1000 individual Chinese-based customers. More than 3000 unique visitors used the platform in the last two weeks of June.

Resources

Fraser Range Metals Group (FRN)

FRN has received drilling approval from the NSW Dept of Planning and Environment and completed a soil sampling for



The **Dow Jones Industrial Average** fell 77 points or 0.3% to 25,734. The S&P 500 climbed 15.57 points (0.5%) to 3,115 and the Nasdaq added 95.6 points (0.95%) to 10,154.

Pfizer shares gained 3.9% and at one stage were up by 18.9% after the drug maker revealed that a COVID-19 vaccine that was being developed with German biotech **BioNTech** was showing promising results and had been encouragingly well tolerated in early human trials.

At the same time global manufacturing hit their highest figures in a year. The **Institute for Supply Management** reported that its index for factory activity leapt to 52.6 in June from 43.1 in May, ending three straight months of contraction.

The **ADP National Employment Report** said US private payrolls had increased by 2.369 million jobs in June, but were still less than had been expected.

A surge in home deliveries saw **FedEx** jump 11.7% after posting better than expected quarterly profit revenue driven by pandemic-related issues.

Oil prices climbed after data revealed a significant drop in US crude inventories.

West Texas Intermediate gained 55 cents and settled at \$39.82 on the New York Mercantile Exchange, while **Brent Crude** for September gained 76 cents to close at \$42.03 on the London **ICE Futures Exchange**.

US crude oil inventories decreased by 7.2 million barrels in the week ending June 26, the **Energy Information Administration** reported. This followed three weeks of consecutive increases.

Today the Labor Department will release nonfarm payroll reports.

The **Shanghai Composite** closed at its highest level in almost four months and was up 1.3% at 3,025.98. The blue chip CSI300 gained 2.1%. This followed China central bank's announcement on Tuesday that it would cut the re-discount and re-lending rate by 25 basis points to reduce funding costs for smaller businesses and the rural sector.

China also reported increased factory activity for June after having eased coronavirus lockdown conditions.

the Mt Adrah Exploration program. The company has awarded drilling contracting to Deepcore Drilling for August and has identified multiple target zones of high-grade and bulk tonnage gold.

Australian Strategic Materials (ASM)

ASM says its Korean research and development partner, ZironTech, had successfully produced a titanium metal alloy with the patented reduction process at the JV's commercial pilot plant in South Korea.

eMetals (EMT)

EMT has identified tungsten, niobium and rare earth anomalies at the Miru and Cairn Hill prospects and pegmatite at Beryl Will and has plans to drill in the current quarter.

Element 25 (E25)

Sub-sampling of diamond core has returned high-grade manganese values of up to 42.3% at the 100% owned Butcherbird Manganese Project.

Black Cat Syndicate (BC8)

Has completed acquisition of a 100% interest in the Fingals and Rowe's Find Gold Project and increased its resource by 145%. Silver Lakes becomes a substantial shareholder (8.7%) and has first right of refusal on any toll treating arrangements relating to Fingals and Rowe's Find.

Breaker Resources (BRB)

BRB reveals hits of up to 22g/ton of gold from maiden drilling at the Carbineer Prospect and a 2km long zone of gold mineralisation at Kopai-Crescent, 3km north of Bombora.

Auris Minerals (AUR)

AUR has a copper and gold maiden resource estimate for its Forrest Project located 130km north of Meekatharra in the Bryah Basin.

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Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1769	oz	-0.1	-0.0
Silver (NY) (Jul)	17.99	oz	-0.0	-0.0
Gold (LON) (10 Jun)	1768	oz	-3.5	-0.2
Platinum	809	oz	-7.1	-0.7
WTI Crude (COMEX Jul)	39.82	bbbl	0.5	1.4
Brent Crude (ICE EUR Aug)	42	bbbl	0.8	1.9
Iron Ore (NYMEX,CHN,62%)	101	t	0.5	0.5
Copper (LME,3mth Ind,PM)	6050	t	46	0.7

Trading Halts

Company	Code	Resuming
Emerson Resources	ERM	2 Jul
Kasbah Resources	KAS	2 Jul
Prairie Mining	PDZ	2 Jul
Temple & Webster Group	TPW	3 Jul
Euro Manganese	EMN	6 Jul
GBM Resources	GBZ	6 Jul



Nickel	12791	t	33	0.3
Aluminium	1600	t	-1.8	-0.1
Lead	1756	t	-6.5	-0.4
Zinc	2030	t	-6.7	-0.3
Tin	16857	t	38	0.2

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6916	-0	-0.0
EUR – USD	1.1252	0.0002	0.02

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SUSPENSIONS

Company	Code	Since
Aura Energy	AEE	20 May
Meteoric Resources	MEI	11 Jun
(The) PAS Group	PGR	29 May
Pioneer Credit	PNC	4 Jun
Suda Pharmaceuticals	SUD	5 Jun
Auteco Minerals	AUT	26 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FPH	Mon (6 Jul)	18.24	0	0.35
MTS	Tues	6.5	100	4.78
SGLLV	Tues	33	100	5.89