

Markets

SFE 200 Futures (9.30am AEST)	5896	-24	-0.4
NZX 50	11500	60	0.5
DJIA Futures	25695	124	0.5
S&P 500 Futures	3154	13	0.4
NASDAQ Futures	10753	25	0.2

Local Markets Commentary

The Australian market commences Friday trade following vacillating overnight international equities and commodities sentiment and with no major domestic or regional economic indicators due today.

Locally however, another national cabinet meeting is scheduled, to discuss national Covid-19 management and support measures for Victoria. Post-meeting comments are keenly anticipated.

Regionally, Japan is due to report June producer prices just prior to ASX trade.

Also today, **Singapore** holds parliamentary elections.

In overnight commodities trade, **oil** and **US gold** futures (August) swung lower.

Iron ore (Nymex CFR China, 62% Fe) also turned, ending a run of gains, but remained above \$US104.60/t.

LME **copper** continued higher. **Nickel** and **aluminium** were ultimately pushed lower.

The **\$A** fell to ~US69.80c after trading at ~US69.95c early yesterday evening.

Earlier this morning, the \$A pulled back to ~US69.60c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25706	-361	-1.4
S&P 500	3152	-18	-0.6
NASDAQ	10548	55	0.5
FTSE 100	6050	-107	-1.7
DAX 30	12489	-5	-0.0
Shanghai Comp	3451	47	1.4

Overseas Markets Commentary

Swinging trade featured across major European and US equities markets overnight, amid the ongoing reinstatement of Covid-19 restrictions in regions where diagnosed cases were growing, but also with confirmation the UK would further ease some restrictions come Monday, this spawning mixed views of international economic recovery prospects and timelines.

Earlier yesterday, China had reported a further significant fall in producer prices.

Among overnight **data** releases, **Germany's** May trade surplus rose to €7.1B from €3.6B at the end of April.

Today's Stock Watch
AVITA Therapeutics (AVH)

June quarter net revenue estimated at \$US3.88M, down 1.6% for the quarter. \$US73.84M cash, down 7.4%.

AUB Group (AUB)

Anticipating FY20 underlying NPAT at the top end of \$52M - \$53M, representing 12% - 14% annual growth. Planning to release full year results 24 August.

Tilt Renewables (TLT) / Infratil Ltd (IFT)

TLT is anticipating \$A65M - \$A80M FY21 EBITDAF, against an earlier forecast of \$A80M - \$A95M.

Meanwhile, TLT has confirmed commissioning and grid connection is being completed on the final of 80 wind turbines installed at the Dundonnell wind farm, Victoria. Some delays to full commissioning are anticipated however, due to concerns expressed by the Australian Electricity Market Operator (AEMO)

IFT holds 65% of TLT.

Meridian Energy (MEZ)

MEZ hosted a business update teleconference from 8am AEST this morning. Update presentation lodged pre-trade. The update focuses in particular on MEZ and the New Zealand energy market, given Rio Tinto's (ASX: RIO) decision to close an aluminium smelter by the end of August 2021.

MEZ forfeited 10.2% on the ASX yesterday, settling at \$A4.40.

Creso Pharma (CPH)

CPH subsidiary Mernova Medicinal has secured a second order from Israel-headquartered Univo Pharmaceuticals, this one for \$US625,690 worth of medicinal cannabis flower.

Ava Risk Group (AVA)

Expecting \$6.8M FY20 EBITDA, \$1.8M greater than previous guidance. Anticipating \$24.6M 2H FY20 revenue, against the former \$22.6M forecast. Raising expected June quarter revenue by \$1.8M to \$12.3M.

In addition, CEO and executive Scott Basham is retiring from AVA. AVA has appointed AVA technology COO and executive director Rob Broomfield as CEO.

Resources
Silver Lake Resources (SLR)

WA Deflector gold project resources have been estimated 54% higher, at 1.27Moz. The grade has improved 18% to 13.5g/t. Reserves are up 30%, at 447,000oz of gold and 7000t of copper. Ore grade has been lifted 15%, to 6.3g/t Au.

Jupiter Mines (JMS)

Agreement secured to export 720,000tpa of Tshipi manganese



Exports (seasonally adjusted) rose 9% and imports 3.5% following respective 24% and 16.6% April tumbles.

US weekly new unemployment claims further encouraged with a 1.31M tally against 1.41M the previous week. The new weekly total was the least in ~four months.

May wholesale inventories fell 1.2% following a 0.2% April rise.

Meanwhile, a 30-year government bond offer produced a 1.33% yield from 1.45%.

Tonight in the US, June producer prices are due.

In overnight corporate news, UK retailers **Boots** and **John Lewis** announced jobs cuts affecting up to a combined 5300 positions.

In the meantime, **Walgreens Boots Alliance** reported an overall \$US1.6B June quarter operating loss.

NB: A new reporting season commences in the US next week.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1803.8	oz	-16.8	-0.9
Silver (NY) (Sep)	18.962	oz	-0.20	-1.0
Gold (LON) (6 Jul)	1788	oz		
Platinum	818	oz	-29	-3.4
WTI Crude (NYMEX Aug)	39.62	bbl	-1.28	-3.1
Brent Crude (ICE EUR Sep)	42.35	bbl	-0.94	-2.2
Iron Ore (NYMEX,CHN,62%)	104.61	t	-0.42	-0.4
Copper (LME,3mth Ind,PM)	6300	t	55	0.9
Nickel	13225	t	-245	-1.8
Aluminium	1656	t	-11	-0.7
Lead	1830	t	9	0.5
Zinc	2150	t	23	1.1
Tin	17260	t	160	0.9

Commodities Commentary

Oil – overnight prices were pushed from the previous session’s four-month peaks amid international economic recovery commentary containing uncertainty warnings.

Meanwhile, India reported a 7.9% year-on-year drop in fuel demand in June.

Among the exporters, Libya reported a tanker was barred from loading oil at the Es Sider port, from which force majeure had been lifted Wednesday.

The International Energy Agency (IEA) is scheduled to release its monthly oil market report tonight.

A weekly US petroleum drill rig count is also due tonight.

Gold – profit-taking was cited as one reason for a fall in overnight prices. The \$US also appreciated (ICE \$US index +0.3%).

Base metals – LME copper was propelled yet higher overnight, trading at ~14-month peaks.

China research group Antaika estimated domestic copper smelter cathode output rose 0.6% year-on-year in June, to 699,000t, after a 7.7% year-on-year increase for May.

Earlier yesterday, **China** reported June inflation change, including 0.1% deflation for June but 2.7% CPI growth year-on-year.

Producer prices fell 3.0% from a year earlier after a 3.7% May year-on-year decline.

project output from Lüderitz Port, Namibia, for five years.

Pre-Open Announcements

Chorus Ltd (* CNU)

Covid-19 restrictions halted UFB2 rollout during the June quarter.

‘Non-essential activity’ regulations cut fibre installations by 15,000.

‘Disappointed’ at the timing of an announcement by the New Zealand Commerce Commission regarding potential changes to regulatory determinations.

Fluence Corporation (* FLC)

\$US20.0M cash at 30 June, up \$US3.1M for the quarter.

Resources

Black Cat Syndicate (* BC8)

Fingals project and Rowe’s Find gold project resources have been converted to JORC 2012.

BC8’s total resources are now estimated at 8.7Mt @ 2.6g/t Au, for 711,000oz of gold.

OZ Minerals (OZL)

OZL has negotiated a new five-year agreement with Byrnegut Australia, for Byrnegut to continue providing underground mining services to OZL’s Prominent Hill project.

Byrnegut has been providing underground mining services to the project for 10 years.

OZL:ASX@AU\$ 12.04



Source: IRESS

White Rock Minerals (WRM)

WRM has pushed back the SPP closing date from yesterday to Wednesday next week (15 July), due to delayed postal deliveries.

Trading Halts

Company	Code	Resuming
Chesser Resources	CHZ	10 Jul
Red Metal	RDM	10 Jul



Other overnight considerations included inventories, including LME on-warrant copper stocks at 94,800t, the least since January.

Japan's June machine tool orders, reported late yesterday, were estimated to have dropped 32% year-on-year. May's orders had been estimated 52.8% lower than for May 2019.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6964	0.0000	0.01
EUR – USD	1.1289	0.0004	0.04

US Data Tonight

PPI	Jun
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Other Overseas Data Today & Tonight

Japan	PPI	Jun
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RooLife Group	RLG	10 Jul
Victory Offices	VOL	10 Jul
Bellevue Gold	BGL	13 Jul
Krakatoa Resources	KTA	13 Jul
Race Oncology	RAC	13 Jul
Sezzle Inc	SZL	13 Jul
Castle Minerals	CDT	15 Jul
Los Cerros	LCL	15 Jul
Marmota Ltd	MEU	15 Jul

Suspensions *(select)*

Company	Code	Since
9 Spokes International	9SP	30 Jun
Blossomvale Holdings	BLV	7 Jul
Cougar Metals	CGM	1 Jul
Estrella Resources	ESR	9 Jul
Freedom Foods Group	FFP	26 Jun
Global Petroleum	GBP	8 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CAM	Today	1.05	100	4.69
KAT	Mon	0.5	100	2.08
TRA	Mon	5.61	85	3.48
CKF	Wed	10.5	100	2.12

Reports & Events

(selected)

When	Company	Report/Event
Today	AUB	Trading update
	CNU	Jun Q update
	MEZ	Business update (teleconf 8am)
Wed	SXY	Jun Q (teleconf 10am)
Thu	AST	AGM
	S32	Jun Q
Fri (17 Jul)	RIO	Jun Q (teleconf 8.30am)