

Markets

SFE 200 Futures (9.30am AEST)	6063	-66	-1.1
NZX 50	11238	-23	-0.2
DJIA Futures	26737	-224	-0.8
S&P 500 Futures	3165	-21	-0.7
NASDAQ Futures	10039	-48	-0.5

Local Markets Commentary

The Australian market opens today's trade with fresh data in hand from China, revised international economic growth forecasts from the Organisation for Economic Cooperation and Development (OECD), and updated domestic economic forecasts from the US Federal Reserve, ahead of US weekly new unemployment claims tonight.

US equities futures have fallen this morning.

Post-ASX trade yesterday, **China** reported 1480B yuan worth of new lending in May, against 1700B yuan for April.

For its part, the **OECD** predicted a potential 5% - 6.3% drop for Australia's GDP this year.

The OECD also recommended additional fiscal support (for Australia) from the commencement of the December quarter.

Post-US trade, **US Federal Reserve** (Fed) chair Jerome Powell hosted a post-policy meeting press conference, expanding on the bank's official statement and first updated forecasts since December 2019, some of which appeared not as upbeat as anticipated.

The Fed expects rates will remain on hold through 2022, predicting a 6.5% drop in GDP for 2020 and unemployment at 9.3%.

US GDP is currently expected to grow again in 2021 however, by as much as 5%.

Also post-overnight trade, the Iraqi military confirmed a rocket had landed within Baghdad's Green Zone.

Locally today, the Australian Bureau of Statistics (ABS) releases a new publication covering various **Covid-19 impacts** during March through May, 11.30am AEST.

The Melbourne Institute publishes its monthly **inflation expectations** report 11am.

In overnight commodities trade, **oil** closed higher again.

US **gold** futures (August) turned to settle slightly lower, but rose again post-settlement, this attributed to the US Federal Reserve's post-policy meeting official statement plus subsequent press conference comments from the central bank's chairman.

Iron ore (Nymex CFR China, 62% Fe) declined slightly, remaining well above \$US102.75/t.

LME **copper** rallied further. **Nickel** swung higher. **Aluminium** recorded a decisive gain.

The **\$A** fell to ~US69.60c after trading at US70.00c early yesterday evening.

Today's Stock Watch
Kogan.com Ltd (KGN)

Resuming from a trading halt with commitments in hand for a \$100M, \$A11.45-per-share placement. A \$A15M SPP is scheduled for 18 June – 3 July. KGN traded at \$10.81 - \$13.00 the five trading sessions immediately prior to calling the halt.

CIMIC Group (CIM)

The CIM-Apollo Global Management 50:50 JV Ventia has secured regulatory approvals for the proposed acquisition of Broadspectrum.

Keytone Dairy (KTD)

New \$1.391M follow-up skim milk powder order in hand from Nouriz (Shanghai Fine Food Co. The ordered products will be manufactured in New Zealand by 31 August.

5G Networks (5GN)

Resuming from a trading halt having completed an oversubscribed \$A18.2M, \$1.23-per-share placement.

A \$4M SPP is scheduled for 17 June – 8 July.

5GN traded at \$1.175 - \$1.39 the five trading sessions immediately prior to calling the halt.

Ellex Medical Lasers (ELX)

The Australian Competition & Consumer Commission is not opposing the proposed acquisition of ELX by Lumibird.

Resources
Newcrest Mining (NCM)

Heralding WA Havieron project drilling which has extended known mineralisation by 220m.

NCM is earning 40% from Greatland Gold Plc.

Metals X (MLX)

Resuming from a trading halt with farm-in and JV terms secured with Independence Group (ASX: IGO) for the WA Paterson copper project. IGO plans to spend \$32M on exploration, over 6.5 years, for 70%.

In addition, the Nifty copper sulphide mining scoping study has returned 'positive' figures. Details lodged this morning.

MLX will further investigate Nifty heap leach SX/EW plans following the completion of a scoping study for which details have also been lodged pre-trade.

MLX's copper assets strategic review is continuing, in particular to assess the timing and funding of feasibility studies.

Centaurus Metals (CTM)

Reporting shallow, significant-width, high-grade intersections from Brazil Jaguar Central and Jaguar North diamond drilling.

Results include two 'exceptional' assays, lodged this morning.

An initial resource for the Jaguar nickel sulphide project is



Earlier this morning, the \$A again approached US70c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26990	-282	-1.0
S&P 500	3190	-17	-0.5
NASDAQ	10020	67	0.7
FTSE 100	6329	-7	-0.1
DAX 30	12530	-88	-0.7
Shanghai Comp	2944	-12	-0.4

Overseas Markets Commentary

Markedly choppy, swinging trade featured across major European and US equities markets overnight, with new economic recovery warnings and updated growth forecasts, the \$US at three-month lows, and the NASDAQ benefiting from anticipated long-term low interest rates.

Pre-US trade, the Organisation for Economic Cooperation and Development (OECD) published updated economic outlook figures, including a 6% - 7.6% drop in global GDP this year.

The OECD predicted US GDP could contract by 7.3% - 8.5%, euro zone GDP by ~9% - 11.5%, and the UK's by 11.5% - 14%.

The **US Federal Reserve** maintained its stance that additional policy support was likely and available, and issued its first outlook figures since December 2019.

These included 2020 unemployment coming in at 9.3% and GDP dropping by 6.5%.

For 2021 and 2022, the Fed currently anticipates US GDP to recover by 5% and 3.5% respectively, and unemployment to improve to 6.5% and 5.5%.

Among overnight US **data** releases, May CPI figures represented 0.1% deflation for the month and 0.1% growth against May 2019.

The May budget statement included a \$US399B deficit, against a \$US738B shortfall for April.

Weekly mortgage applications jumped 9.3%. Average 30-year mortgage rates rose 0.01% to 3.38%.

Earlier **France** reported industrial production had tumbled 20.1% during April, following a 16.2% March drop.

Tonight in the **US**, weekly new unemployment claims and May producer prices are due.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1720.7	oz	-1.2	-0.1
Silver (NY) (Jul)	17.796	oz	0.002	0.0
Gold (LON) (9 Jun)	1714	oz		
Platinum	830	oz	7	0.9
WTI Crude (COMEX Jul)	39.60	bbl	0.66	1.7
Brent Crude (ICE EUR Aug)	41.73	bbl	0.55	1.3
Iron Ore (NYMEX,CHN,62%)	102.89	t	-0.09	-0.1
Copper (LME,3mth Ind,PM)	5895	t	135	2.3
Nickel	12995	t	80	0.6

anticipated by 30 June.

Pre-Open Announcements

Alliance Aviation Services (** AQZ)

Conducting a \$91.9M, \$2.95-per-share fully-underwritten institutional placement. A \$30M SPP will follow, 19 June – 9 July. In addition, AQZ has negotiated a January 2022 extension for term loan and working capital facilities. AQZ has traded at \$2.70 - \$3.215 the past five trading sessions.

Trading halt called this morning.

MGM Wireless (** MWR)

Resuming from suspended trade with a significant new customer contract pending.

Investec Australia Property Fund (IAP)

Discussions are underway to potentially internalise IAP management.

Intiger Group (IAM)

Resuming from a trading halt having secured commitments for a \$A125,000 0.05c-per-share placement to select investors.

IAM will pay the placement lead manager 6% of the total raised, in shares if approved by shareholders, or otherwise in cash.

In addition, a convertible note redemption has been pushed back to 30 September.

IAM has traded at 0.1c this year.

Resources

Riversgold Ltd (* RGL)

RGL has appointed geologist and Cannacord Genuity resources/mining analyst Xavier Braud as an executive director, effective yesterday.

RGL director Simon Andrew has been appointed RGL non-executive chairman.

RGL's previous chairman resigned October 2019.

Andromeda Metals (* ADN)

ADN has appointed ADN non-executive director Joe Ranford as operations director and Poochera halloyiste-kaolin project manager.

Mr Ranford is a mining engineer who was most recently Nordic Gold Inc's COO.

Westgold Resources (WGX)

Mining & Energy Forum presentation lodged post-trade yesterday.

Moreton Resources (MRV)

MRV has entered voluntary administration.



Aluminium	1629	t	261	1.6
Lead	1744	t	-18	-1.1
Zinc	2031	t	15	0.7
Tin	17190	t	268	1.6

Commodities Commentary

Oil – a further \$US fall following the release of US Federal Reserve post-policy meeting statement supported ultimate overnight prices.

A weekly US **inventories** report from the EIA pushing WTI as low as \$US37.73/bbl intra-session.

Stored crude was reported 5.72MMbbl higher. Petrol stocks rose by 866,000bbl.

Net crude imports rose by 1.04MMbbl/d on higher refinery demand. Saudi imports tallied ~1.5MMbbl/d.

An independent survey in the meantime estimated 24.32MMbbl/d May OPEC crude production.

Gold – prices swung higher in post-settlement electronic trade, on post-policy meeting comments from US Federal Reserve chair Jerome Powell.

A yet softer \$US constrained falls in earlier trade.

In the meantime, Goldman Sachs forecast \$US1800/oz prices within a year.

Base metals – ongoing \$US weakness (in particular against the yen, Swiss franc, euro and British pound), plus expectations of ongoing improved demand, pushed LME *copper* prices to four-month peaks overnight.

Spot prices for refined copper had been supported similarly in China yesterday.

In addition, Goldman Sachs predicted \$US6000/t copper prices within the September quarter.

Among new data releases, **China** yesterday reported May producer prices had declined 3.7% against May 2019, following a 3.1% April fall. CPI fell 0.8% for the month but prices were 2.4% higher than for May 2019.

Japan revealed April machinery orders dropped 17.7% year-on-year and 12% for the month.

May producer prices declined 2.7% and 0.4% respectively.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6982	-0.0017	-0.24
EUR – USD	1.1373	-0.0003	-0.03

Australian Data Today

Melbourne Institute	Inflation expectations	Jun
ABS	Covid-19 impacts	May Q

US Data Tonight

Initial jobless claims	6 Jun
PPI	May

Trading Halts

Company	Code	Resuming
Alligator Energy	AGE	11 Jun
Arafura Resources	ARU	11 Jun
First AU	FAU	11 Jun
Meteroric Resources	MEI	11 Jun
Piedmont Lithium	PLL	11 Jun
Southern Cross Electrical Engineering	SXE	11 Jun
Vimy Resources	VMY	11 Jun
AFT Pharmaceuticals	AFP	12 Jun
Flamingo AI	FGO	12 Jun
Hazer Group	HZR	12 Jun
Mach7 Technologies	M7T	12 Jun
African Gold	A1G	15 Jun
Alliance Aviation Services	AQZ	15 Jun
Cirralto Ltd	CRO	15 Jun
Consolidated Zinc	CZL	15 Jun
Harvest Technology Group	HTG	15 Jun
Weebit Nano	WBT	15 Jun
Yandal Resources	YRL	15 Jun
Anson Resources	ASN	16 Jun
Blue Star Helium	BNL	16 Jun
Bryah Resources	BYH	16 Jun
Integrated Payment Technologies	IP1	16 Jun

Suspensions *(select)*

Company	Code	Since
Aura Energy	AEE	20 May
Cann Global	CGB	20 May
(The) PAS Group	PGR	29 May
Pioneer Credit	PNC	4 Jun
Suda Pharmaceuticals	SUD	5 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PL8	Mon	0.4	100	5.59
SHV	Thu (18 Jun)	9	100	4.80
ORA	Fri (19 Jun)	37.2	50	4.69

Reports & Events

(selected)

When	Company	Report/Event
Mon (15 Jun)	HSX	AGM (1pm AEST)
Tue	CPH	AGM (1.30pm AEST)
	ORA	AGM (10.30am AEST)

**Other Overseas Data Today & Tonight**

Japan	BSI large manufacturing	Q2
Italy	Industrial production	Apr

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Wed	GEM	AGM (10am AEST)
Thu (18 Jun)	PPH	AGM (midday AEST)
Fri (19 Jun)	OGC	AGM
22 Jun	TCL	Trading update
24 Jun	CSR TPM	AGM (10am AEST) AGM (10.30am AEST)
26 Jun	EVO	Full year
29 Jun	ALQ FPH	AGM Full year