

Markets

SFE 200 Futures (9.30am AEST)	5922	-5	-0.0
NZX 50	11225	0	0
DJIA Futures	26024	0	0
S&P 500 Futures	3109	0	0
NASDAQ Futures	9995	0	0

Local Markets Commentary

The **ASX** was tilting towards opening lower this morning, reeling after a turbulent week of trading and negative current account data from the United States which shaved close two-year lows in the first quarter.

In the United States **Commerce Department** said on Friday that the current account deficit had shrunk 0.1% to \$US104.2 billion, the lowest since the second quarter of 2018.

The Federal Reserve also tempered optimism on Friday over a steady recovery from the COVID-19 impacts on the global economy, cautioning that the outlook remained uncertain.

More clarity is expected when the Fed releases its annual test gauge of big banks next week.

A resurgence of coronavirus cases in **Victoria** has prompted warnings from **Queensland** and **Western Australia** that their borders could remain closed for longer than expected. Fears of a second wave of coronavirus have weighed on jittery markets after the **WHO** warned that the pandemic was accelerating.

This come after Victoria extended lockdown safeguards on Sunday as neighbouring states scrambled to review reopening plans, with Victoria's lifting of restrictions believed to have been set back by at least a month.

SPI Futures were down 1.3% to 5854 and the Australian dollar was trading 0.3% down to 68.3US cents.

The **S&P/NZX50** index was up 0.26% in early trade in New Zealand today, where spending data for May is set to be released.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26081	-39	-0.1
S&P 500	3115	1.8	0.0
NASDAQ	9943	32	0.3
FTSE 100	6224	-29	-0.4
DAX 30	12281	-100	-0.8

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

Today's Stock Watch

Virgin Australia (VAH)

Unsecured Virgin bondholders the Bradburys are believed to be poised to bid for embattled airline Virgin with the two official bidders, Bain Capital and Cyrus Capital Partners, set to sign off on their final offers, as the deadline approaches at 10am this morning.

OZ Minerals (OZL)

OZL has reportedly done a deal to acquire Cassini Resources (CZI), its joint venture partner in the West Musgrave nickel/copper project.

Metcash (MTS)

The food wholesalers has reported flat earnings for 2020, with underlying net profit slipping \$600,000 to \$309 million in spite of COVID-19 inspired food and liquor sales.

Challenger (CGF)

CGF gets the go-ahead to launch its \$270 million equity raising via a placement at \$4.89 a share, representing an 8.1% discount to the last close. This is set to be followed by a share purchase plan valued at another \$30 million for funds destined to be used to strengthen the company's balance sheet.

Trading Halts

Company	Code	Resuming
HER Resources	EHX	22 Jun
Opyl Ltd	OPL	22 Jun
Patrys Ltd	PAB	22 Jun
Beston Global Food	BFC	22 Jun
Dimerex Ltd	DXB	22 Jun
Latitude Consolidated	LCD	22 Jun
Emerald Clinics	EMD	22 Jun
Amani Gold	ANL	23 Jun
Austal	ASB	23 Jun
Latin Resources	LRS	23 Jun
Crowd Media Holdings	CM8	23 Jun
Emerge Gaming	EM1	23 Jun
Galan Lithium	GLN	23 Jun
Kalamazoo	KZR	23 Jun
UAV Aquabotics	UUV	24 Jun



Shanghai Comp 2939 3.4 0.1

Overseas Markets Commentary

The **US Chicago Fed index** and US home sales for May are set to be announced today and in Europe the Euro zone consumer confidence for June.

Europe stocks closed on a more upbeat tempo last week ahead of the European Council's meeting to negotiate the EU recovery fund and German airline **Lufthansa** gained a 3.5% altitude, spurred by the company's biggest shareholder reached out to Berlin politicians for talks about a 9 billion euro bailout to the embattled carrier.

China said it has suspended poultry imports from a plant owned by US-based meat processor **Tyson Inc**, which had been infected by the coronavirus.

Beijing also suspended pork products from German processor **Toennies** last week after an outbreak of the infection among workers in Germany.

China has begun scrutinising overseas food imports more closely and begun testing meat, seafood and fresh produce last week with some ports opening containers containing meat to carry out tests.

In November last year China lifted a five-year ban on the import of US poultry.

On Friday Brazil issued new guidelines for meatpackers after a spike of COVID-19 cases at food plants had caused the closure of plants in both the United States and Brazil.

Almost 24% of COVID-19 cases in Brazil's southern **Rio Grande do Sul** state were workers in the local meat industry, according to health data. Brazil is on track to recording over one million coronavirus cases, second only to the United States, with deaths approaching 50,000.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1746	oz	4.1	0.2
Silver (NY) (Jul)	17.68	oz	0.01	0.5
Gold (LON) (10 Jun)	1728	oz	-4.1	-0.2
Platinum	830	oz	21.9	1.8
WTI Crude (COMEX Jul)	39.12	bbl	-0.3	-0.8
Brent Crude (ICE EUR Aug)	41.9	bbl	0.7	1.7
Iron Ore (NYMEX,CHN,62%)	104	t	0.5	0.5
Copper (LME,3mth Ind,PM)	5829	t	45.8	0.1
Nickel	12709	t	-127	-1.0
Aluminium	1573	t	-17	-1.0
Lead	1768	t	-30	-1.7
Zinc	2083	t	37	1.8
Tin	17010	t	-5	-0.0

Suspensions *(select)*

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

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ORA	Fri (19 Jun)	37.2	50	4.89
SGO	Fri	2	100	0.00
HVN	22 Jun	6	100	5.69

Reports & Events

(selected)

When	Company	Report/Event
22 Jun	TCL	Trading update
24 Jun	CSR	AGM (10am AEST)
	TPM	AGM (10.30am AEST)
26 Jun	EVO	Full year
29 Jun	ALQ	AGM
	FPH	Full year

June quarter S&P/ASX indices re-balance

The following changes will be effective from the opening of trade **22 June**:

S&P/ASX 20

Out: AMC**In:** ALL

S&P/ASX 50

Out: AMP**In:** A2M

S&P/ASX 100

Out: URW, WHC**In:** NXT, SAR

S&P/ASX 200

Out: EHE, HUB, JIN, MYX, PLS, PNI**In:** CIP, MP1, MSB, OBL, PRU

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.6816	-0.0000	0.04
EUR – USD	1.1177	-0.0009	-0.08

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S&P/ASX 300

Out: AYS, CDD, HT1, ISX, ITG, NCZ, OGC, PDN, SDA, SWM, SYR, WPP

In: AEF, AFG, CCX, ELO, EOS, IDX, KMD, MVP, OPT, PAR, PBH, RED, SLK, TYR, UWL

S&P/ASX All Ordinaries

Out: 3PL, AC8, AGY, AJL, AML, ARQ, ATL, ATS, AUZ, AVG, AYS, CAN, CCV, CII, CLH, COG, COI, DCG, DWS, EWC, EXP, FBR, GNG, GOW, HAS, HRR, HZN, ISU, ISX, LNG, LVH, MLX, MNS, MOC, MRM, MTO, MWY, NMT, OVH, PAN, PGC, PPG, PVS, RCT, REX, SDA, SFX, SGH, SKT, SXE, TGN, TZN, WHA, WJA

In: 360, ADT, AIZ, ALC, ALK, AMS, AMX, ANO, AT1, ATU, BSA, BTH, BWR, CBR, CHN, CMM, CYL, D20, DEG, DTC, DUB, EBO, ECF, EGG, EMR, EOF, EVS, FCL, FDV, GGG, GSS, HMC, IMA, KLL, LEG, LME, LTR, MAD, MAU, MCR, MCY, MME, MML, NET, NTO, NXS, OPC, PBH, PBP, PCK, PFT, PGL, PPK, PWG, PYC, RAP, RDY, RED, RFG, SGLLV, SLM, SO4, SOM, SPT, SVY, SZL, TLX, TOT, TPW, TRS, TYR, UWL, VGI, VVA, WGO, WSP, WZR, ZNO

S&P/ASX All Australian 200

Out: API, AVH, CVN, EHE, EHL, PGH, PLS

In: AUB, CIP, CQE, EOS, RMS, WGX

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