

Markets

SFE 200 Futures (9.30am AEST)	5934	9	0.2
NZX 50	11237	104	0.9
DJIA Futures	25983	-37	-0.1
S&P 500 Futures	3124	14	0.4
NASDAQ Futures	10190	-6	-0.0

Local Markets Commentary

The Australian dollar rose overnight to almost US70c and the ASX was tilting towards an early climb this morning as the US dollar fell on ongoing COVID-19 resurgence fears.

In spite of coronavirus jitters, another record high on the **Nasdaq**, which rose 1.4% over night, more encouraging US economic data and the A\$ gaining 0.5% to US69.41 were upbeat indicators pre-opening bell.

Earlier this morning ASX futures were up 29 points, or 0.5%, to 5954. The ASX closed higher on Tuesday after slumping earlier on reports, later debunked, that **US President Donald Trump** had jettisoned trade deals with China.

Gains were led by big miners as **BHP** rose 0.8% to \$35.60, **Rio Tinto** grew 1.4% to \$98.05 and **Fortescue** gained 1.3% to \$14.01.

Cronwell Property Group soared 8.1% to 94c after Singapore-based fund manager ARA Asset Management announced a \$520million takeover bid.

Moodys has retained Australia's AAA rating as one of only 10 countries not to have sustained its top-tier status through the coronavirus pandemic.

Moodys stated overnight that Australia's rating reflected the country's economic strength, good governance and health management that had supported its resilience through COVID-19.

Moodys warned, however, that ongoing economic fallout from the coronavirus would reduce Chinese demand for exports and increase Australia's debt burden.

Moody's has forecast that the Australian economy will contract by 5% this year, less than other advanced economies, with signs that spending patterns were returning as the pandemic faded.

The rating agency expects the Australian economy to return to positive growth in 2021.

Rival agencies **S&P Global** and **Fitch** have put Australia's AAA credit rating on negative.

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

Today's Stock Watch

Virgin Australia (VAH)

VAH bondholders, who are owed \$2 billion, have reportedly come up with a recapitalisation proposal that would halt the sale of the embattled airline, instead converting bondholders into shareholders of a recapitalised company that would relist on the ASX with a market cap of about \$1.4 billion.

Woolworths (WOW)

The supermarket operator has announced a \$780m investment in infrastructure on two automated distribution centres equipped with robots and high-tech facilities. Profits for 2020 will be impacted by \$600m in new costs and the retailer's hotel business has been hit by \$200m in earnings as a result of COVID-19 shutdowns.

Myer (MYR)

Australia's biggest department store will make 90 employees in head office jobs redundant in a cull representing approximately 1% of the company's workforce. The latest cuts come after Myer slashed 35 executive roles at its head office in Melbourne in January. Redundancies have numbered almost 200 over the past year. The company closed its doors in late March and sent 10,000 staff home. It's stores have subsequently reopened.

Trading Halts

Company	Code	Resuming
UAV Aquabotics	UUV	24 Jun
Dart Mining	DTM	25 Jun
Auteco Minerals	AUT	26 Jun

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



Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26156	131	0.5
S&P 500	3131	13	0.4
NASDAQ	10131	75	0.7
FTSE 100	6320	76	1.2
DAX 30	12523	260	2.1
Shanghai Comp	2970	5	0.2

Overseas Markets Commentary

The **Nasdaq** closed on another record high on Wall Street as all three major indexes gained with tech shares leading the charge.

Apple was the star performer with **Microsoft** and **Amazon** in tow.

New data revealed that the contraction in US manufacturing and the services sector slowed in June as businesses began reopening after lockdowns in mid-March.

New home sales leapt 16.6% in May, exceeding estimates of a 2.9% rise.

The US Treasury said the next stimulus bill would focus on getting people back into the workplace after the White House suggested tax rebates and mail cheques were being considered for upcoming COVID-19 relief bills.

The DOW Jones rose 131 points, or 0.5%, to 26,156, the S&P 500 grew 0.43% to 3,131 and the Nasdaq added 74 points (0.74%) to 10,131.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1768	oz	2.41	0.1
Silver (NY) (Jul)	17.91	oz	-0.0	-0.2
Gold (LON) (10 Jun)	1761	oz	27.1	0.9
Platinum	830	oz	8.8	0.4
WTI Crude (COMEX Jul)	40.21	bbbl	0.2	0.5
Brent Crude (ICE EUR Aug)	42.34	bbbl	-0.6	-1.6
Iron Ore (NYMEX,CHN,62%)	104	t	0.5	0.3
Copper (LME,3mth Ind,PM)	5892	t	31	0.5
Nickel	12665	t	80	0.6
Aluminium	1575	t	-13	-0.8
Lead	1731	t	-31	-1.8
Zinc	2034	t	-50	-2.4
Tin	17036	t	50	0.3

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6929	-0.0001	-0.01
EUR – USD	1.1310	0.0002	0.02

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 TPM	AGM (10am AEST) AGM (10.30am AEST)
26 Jun	EVO	Full year
29 Jun	ALQ FPH	AGM 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

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



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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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