

Markets

SFE 200 Futures (9.30am AEST)	7212	5	0.1
NZX 50	12589	-37	-0.3
DJIA Futures	34387	54	0.2
S&P 500 Futures	4277	5	0.1
NASDAQ Futures	14356		

Local Markets Commentary

The Australian market commences a new week's trade, on the third last trading session for the Australian financial year, with a raft of stricter Covid-19 containment-related measures introduced across much of Australia since last week's close of trade, and new data in hand from China.

Locally today, varied commentary will continue on the economic impacts of the latest Covid-19 restriction measures across Australia, mixed with views on current and proposed quarantine and vaccination programs.

Speculation is likely to ramp regarding ultimate financial year and June quarter figures across select sectors, and how these may differ from September quarter and financial year 2022 prospects.

Regionally today, the Bank of Japan releases its 'summary of opinions' from the June monetary policy meeting.

Over the weekend, **China** reported an 83.4% rise in year-on-year January - May industrial profits, following expectations of an 82% lift. January - April industrial profits were reported 106.1% higher than for 2020.

In overnight Friday commodities trade, **oil** was pushed higher.

US **gold** futures rose slightly.

Qingdao **iron ore** (CFR China, 62% fines) rose \$US2.99/t to \$US216.45/t.

Nymex iron ore (CFR China, 62%) settled at \$US214.17/t, after rising US42c/t.

LME **copper** settled a little lower. **Nickel** gained. **Aluminium** rallied.

The **\$A** slipped a little to ~US75.90c after approaching US76c early Friday evening.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	34434	237	0.7
S&P 500	4281	14	0.3
NASDAQ	14360	-9	-0.1
FTSE 100	7136	26	0.4
DAX 30	15608	19	0.1
Shanghai Comp	3608	41	1.2

2020 – 2021 financial year – third last trading day

* Mineral exploration listing – **11am AEST – BGD** *

* LIC listing – **11.30am AEST – WAR** *

* Online marketplace listing – **12.30pm AEST – CHL** *

Today's Stock Watch
Metcash Ltd (MTS)

9.5c fully franked final dividend, from 6.5c fully franked a year ago. \$239.0M full year NPAT, from a \$56.8M FY20 net loss. Sales revenue grew 9.9% to \$14.315B.

Meanwhile, MTS is outlaying \$59.4M to boost its Total Tools Holdings (TTH) interest from 70% to 85%.

In association, MTS has boosted its debt facility to TTH by \$25M to \$65M. MTS plans to fully own TTH by FY24 close.

Further, MTS will conduct a maximum \$175M on-market buy-back.

Atomo Diagnostics (AT1)

US FDA emergency use authorisation in hand for point-of-care utilisation of the Access Bio CareStart EZ Covid-19 IgM/IgG test, which uses a device developed by AT1.

AT1-Access Bio discussions continue regarding commercial arrangements. AT1 settled at 13.5c Friday after closing out the previous week at 16c.

Hydrix Ltd (HYD)

US FDA approval in hand for the AngelMed Guardian cardiac monitoring device utilising the upgraded battery.

HYD is the exclusive distributor of the device across Australia, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, Singapore and Thailand, and will apply for regulatory approvals in Australian and Singapore initially.

Autosports Group (ASG)

Anticipated 13% - 15% FY21 revenue growth. Also planning to pay \$12M for 80% of John Newell Mazda, Alexandria, NSW.

Star Entertainment Group (SGR)

Apart from limited hotel facilities, SGR has suspended operations until at least 11.59pm AEST Friday (2 July), due to NSW government lockdown orders.

Austal Ltd (ASB)

The Australian Securities & Investments Commission (ASIC) has determined it will not pursue any criminal action against ASB.

The decision follows an ASIC investigation into ASB potential criminal contraventions of the Corporations Act.

ASIC is continuing with civil proceedings against ASB regarding market disclosures relating to the littoral combat ship (LCS) program prior to July 2016.



Overseas Markets Commentary

Sentiment varied across major European, UK and US equities markets overnight Friday, choppy trade featuring in Europe, the UK and on the NASDAQ, but not so for the DJIA or S&P 500.

Some certainty for select US trade came from the US president's positive promotion of a bi-partisan Senate infrastructure spending agreement, bolstering views of a sooner-rather-than-later related pickup in select industry demand and consequential benefits.

The Bank of England's quarterly bulletin identified those paying rent for their main household residence as a risk to the UK's Covid-19 economic recovery.

Among overnight Friday **data** releases, May **US** personal income was reported to have fallen 2% for the month, but personal spending came in flat.

The figures followed a 13.1% drop in April income against a 0.9% rise in spending.

The May PCE (personal consumption expenditure) index in the meantime, was estimated as having risen 0.5% for the month and 3.4% year-on-year.

The University of Michigan consumer sentiment reading for June was finalised at 85.5, against expectations of 86.4, and from 82.9 for May.

In **Germany**, a July consumer confidence index, as calculated by GfK, came in at -0.3 from -6.9 for June.

May household lending in the **euro zone** was estimated 3.9% higher than for May 2020.

Business loans rose 1.9% year-on-year, following expectations of a 3.4% rise.

In the **UK**, CBI's distributive trades index was reported seven points higher for June, at 25, following expectations of a decline to 15.

Tonight in the **US**, the Dallas Fed (Texas region) manufacturing index is due.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1777.8	oz	1.1	0.1
Silver (NY) (Sep)	26.09	oz	0.04	0.1
Gold (LON)	1783	oz		
Platinum	1103	oz	12	1.1
WTI Crude (NYMEX Jul)	74.05	bbbl	0.75	1.0
Brent Crude (ICE EUR Aug)	76.18	bbbl	0.62	0.8
Iron Ore (NYMEX,CHN,62%)	214.17	t	0.42	0.2
Copper (LME Ind)	9430	t	-14	-0.2
Nickel	18550	t	130	0.7
Aluminium	2497	t	57	2.3
Lead	2229	t	11	0.5
Zinc	2905	t	-13	-0.5
Tin	30800	t	220	0.7

Commodities Commentary

Oil – both WTI and Brent crude closed sufficiently higher

Pre-Open Announcements

WAM Strategic Value (* WAR)

Listed investment company (LIC) scheduled to list on the ASX **11.30am** AEST, following a \$225M IPO at \$1.25 per share. 180M quoted shares.

Camplify Holdings(* CHL)

Recreational vehicle rental digital marketplace scheduled to list on the ASX **12.30pm** AEST, following an ~\$11.5M IPO at \$1.42 per share.

26.99M quoted shares.

Apollo Motorhome Holidays holds 17.79%.

Probiotic Ltd (* PBP)

Planning to pay up to \$4M cash for H&H Packaging.

Anticipated revenue and EBITDA benefits lodged pre-trade.

CSL Ltd (* CSL)

Independent non-executive director Abbas Hussain has resigned, effective Friday, due to his appointment as CEO of Switzerland-based Vifor Pharma Group.

Costa Group Holdings (* CGC)

Resuming trade having completed a \$114M \$3.30-per-share, and \$3.30-per-share shortfall book-build, institutional entitlement offer in support of the 2PH Farms acquisition.

The retail offer opens Friday.

CGC last traded at \$3.335.

Boral Ltd (* BLD) / Seven Group Holdings (SVW)

SVW has extended its BLD takeover offer by one week until 7pm AEST Friday (2 July.)

Meanwhile, BLD has issued a further target's statement, again advising shareholders to reject the SVW offer.

Air New Zealand (AIZ)

Directors Rob Jager and Linda Jenkinson plan to retire from the AIZ board at this year's AGM.

This is in addition to director Jan Dawson, who last year announced plans to retire from the AIZ board at this year's AGM.

PharmAust Ltd (* PAA)

Proceeding with plans for a monepantel Phase III clinical trial following statistically significant anti-cancer results from phase IIa and IIb studies, rather than further extend the phase II phase.

Tyro Payments (TYR)

60% higher year-on-year TTV (transactional value) for 1 – 25 June.

For the year-to-date, TTV is 26% higher.

Healthia Ltd (HLA)

4.45M shares will be released from voluntary escrow Friday (2 July).



overnight Friday to record settlement prices not seen since October 2018.

In addition, a missed deadline by Iran regarding UN monitoring suggested no sanctions would be lifted from petroleum exports from Iran for some time yet.

\$US6B from selling US emergency oil reserves was reported to be included in funding for the proposed infrastructure spending deal agreed Thursday.

Also from the US, a weekly US oil drill rig count, reported overnight Friday, came in at 372, meaning seven more rigs had come into operation during the week. For June, the number of oil rigs in operation in the US climbed for a 10th consecutive month.

In other reports, 2020 US refining capacity was estimated 4.5% lower for the year, at 18.3MMbbl/d.

This week's influences will include the OPEC and OPEC+ meetings scheduled for Thursday (1 July), early-week commentary on pre-meeting negotiations, and end-of-June quarter positioning, in addition to international manufacturing updates.

Some output decision speculation is linked to inflation concerns.

In the meantime, Brent crude closed the week 2.8% higher, and WTI up 3.4%.

Gold – prices ended a choppy week overnight Friday with US futures settling 0.5% higher for the five sessions.

New US data releases revealed consumers anticipated increased inflation growth and an inflation-related index was reported to have grown at 50% of the anticipated rate during May. Meanwhile, May consumer spending fell.

This week's late trade is expected to be influenced not only by US monthly jobs figures, but by the US entering the 4 July weekend, with a public holiday scheduled for Monday 5 July.

International relations, in particular in relation to commentary out of Russia and China, could also swing some haven sentiment.

Base metals – trade swung overnight Friday on perceptions of demand out of China and the US (infrastructure spending agreement-related), industry news and inventory updates.

LME-registered warehouse *copper* inventories were reported at 210,975t, the most since July 2020, and almost 90% higher than for 12 May.

Meanwhile, China's major *copper* smelters were reported to have determined a \$US55/t September quarter treatment charge.

China's Yunnan *Tin* revealed it was stopping production at a major smelter, from today for up to 45 days, due to maintenance. This appeared to renew fears of a short-term supply deficit.

In political developments, an ongoing Peru election vote review is keeping resources sector interests guessing over any likely policy changes.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7588	-0.0001	-0.01
EUR – USD	1.1939	0.0001	0.01

US Data Tonight

Dallas Fed manufacturing Jun

Resources

Barton Gold Holdings (* BGD)

Mineral exploration company scheduled to list on the ASX 11am AEST, following a \$15M IPO at 25c per share. 85.84M quoted shares.

3D Resources (* DDD)

Former DDD subsidiary Cosmo Gold has withdrawn its planned IPO.

DDD is subsequently considering retaining a 19.9% holding in the Cosmo Gold project.

Additional details lodged post-trade Friday.

Calidus Resources (CAI)

Blue Spec deposit DFS diamond drilling underway, WA Pilbara region.

Megado Gold (MEG)

Heralding Chakata gold project Dragon prospect exploration which has confirmed broad gold zones.

Details lodged this morning.

CZR Resources (CZR)

CZR company secretary since 2010 Stephen Hewitt-Dutton has resigned.

CZR has appointed Horizon Gold (ASX: HRN) company secretary Trevor O'Connor as CZR CFO and company secretary, effective Friday 25 June.

Euro Manganese (EMN)

Presentation lodged pre-trade.

Musgrave Minerals (MGV)

Investor forum presentation lodged post-trade Friday.

Polymetals Resources (* POL)

Mineral exploration company scheduled to list on the ASX 11am AEST **tomorrow**, following a \$5.2M IPO at 20c per share.

38.3M quoted shares.

Energy

Greenvale Mining (* GRV)

Planning to proceed directly with a DFS for the Alpha torbanite project, Queensland.

In addition, GRV has appointed Advanced Braking Technology (ASX: ABV) chair Dagmar Parsons as a non-executive director, effective today.

Mrs Parsons is a mechanical engineer and previous WorleyParsons, AECOM and Downer executive.

Trading Halts

Company	Code	Resuming
Firefinch Ltd	FFX	28 Jun
Geopacific Resources	GPR	28 Jun

**Other Overseas Data Today & Tonight**

Japan	BoJ summary of opinions	Jun
Germany	Import prices	May

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Creso Pharma	CPH	29 Jun
DigitalX Ltd	DCC	29 Jun
Matador Mining	MZZ	29 Jun
Mineral Commodities	MRC	29 Jun
Proteomics International Laboratories	PIQ	29 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
EDC	Today	2.02	0	7.13
ABP	Tomorrow	8.5	0	5.40
ADI	Tomorrow	4.35	0	5.04
AOF	Tomorrow	3.75	0	5.40
APA	Tomorrow	27	0	5.50
APD	Tomorrow	1.5	58.66	3.57
APZ	Tomorrow	3.5	0	4.74
AQR	Tomorrow	5.47	0	5.80
ARF	Tomorrow	3.73	0	5.08
AVN	Tomorrow	4.37	0	4.84
BWP	Tomorrow	9.27	0	4.19
CDP	Tomorrow	11.5	0	2.51
CHC	Tomorrow	19.31	39.87	2.35
CIP	Tomorrow	4.25	0	4.57
CLW	Tomorrow	7.4	0	5.99
CMW	Tomorrow	1.63	0	8.10
COF	Tomorrow	4.13	0	7.07
CQE	Tomorrow	8.1	0	4.26
CQR	Tomorrow	12.7	0	5.29
DXS	Tomorrow	23	0	4.75
ECF	Tomorrow	2.48	0	8.55
ENN	Tomorrow	6.7	0	2.16
ERF	Tomorrow	15.73	0	3.94
FOR	Tomorrow	3.5	0	0.48
GCI	Tomorrow	1.08	0	4.29
GDC	Tomorrow	1.2	0	3.03
GDI	Tomorrow	3.88	0	6.74
GMG	Tomorrow	15	0	1.42
GOZ	Tomorrow	10	0	4.81
HDN	Tomorrow	1.82	0	1.76
HPI	Tomorrow	9.7	0	5.88
KKC	Tomorrow	2.5	0	4.50
KLA	Tomorrow	20.4	0	1.35
LEP	Tomorrow	10.75	0	4.36
LFG	Tomorrow	24	0	0.00
MGR	Tomorrow	5.1	0	2.62
NSR	Tomorrow	4.2	0	3.57
PCI	Tomorrow	0.32	0	3.42
QRI	Tomorrow	0.84	0	6.01
RCT	Tomorrow	12.05	0	3.77
RDC	Tomorrow	2.67	0	5.47
RFF	Tomorrow	2.82	0	4.31

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SCP	Tomorrow	6.7	0	4.10
SGP	Tomorrow	13.3	0	4.50
TCF	Tomorrow	3	0	2.02
TCL	Tomorrow	21.5	5.11	2.13
TGP	Tomorrow	1	0	4.52
TOT	Tomorrow	1.5	0	6.92
TWR	Tomorrow	1.98	0	0.00
VCX	Tomorrow	6.6	0	2.06
WPR	Tomorrow	7.81	0	5.55
OPH	Wed	36.36	0	0.00
RF1	Wed	75	0	4.54
NBI	Thu	1.73	0	4.70
TGA	Fri	1	100	0.00