

Markets

SFE 200 Futures (9.30am AEST)	7722	19	0.2
NZX 50	11754	-23	-0.2
DJIA Futures	39654	-34	-0.1
S&P 500 Futures	5563	-6	-0.1
NASDAQ Futures	20240	-15	-0.1

Local Markets Commentary

The Australian market opens mid-week trade with material domestic reports due and some in hand pre-trade, plus more data due for China, ahead of a batch of influential data releases out of the US tonight as the US heads into a Thursday public holiday, and the UK towards its general election polling day.

US equities markets closed higher in concert again overnight, this time by 0.4% - 0.8%.

Locally today, the Australian Bureau of Statistics (ABS) publishes **May retail sales** and **building approvals**, each at **11.30am AEST**.

Pre-trade, the AiG has released June industry indices.

The **manufacturing** index was calculated at **-26.5** from **-31.1**

The **construction** index also improved, to **-23.2** from **-68.1**.

The **overall industry** index came in at **-25.6** from **-40.3**.

Also today, **GNC** and **QRI** trade **ex-dividend**. *Please see p4 for a detailed ex-dividends list.*

Regionally, **China** is in focus again, with a June **services PMI** expected from Caixin at **11.45am AEST**.

In overnight **commodities** trade, **oil** turned 04% - 07% lower.

US **gold** (Comex) futures fell slightly, settling below \$2335/oz.

Iron ore (Nymex CFR China, 62% Fe) picked up the pace of Monday's rally, closing above \$US110.0/t.

LME (3mth evening) **copper** continued to gain. **Nickel** swung ~2% lower. **Aluminium** turned slightly higher.

The **\$A** appreciated beyond US66.65c after trading at ~US66.50c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	39332	162	0.4
S&P 500	5509	34	0.6
NASDAQ	18029	149	0.8
FTSE 100	8121	-46	-0.6
DAX 30	18164	-127	-0.7
Shanghai Composite	2997	2	0.1

Today's Stock Watch
APA Group (APA)

\$145M pre-tax impairment anticipated for the Moomba Sydney ethane pipeline.

Melodiol Global Health (ME1)

Anticipating \$4.8M June quarter revenue, up 9% from the March quarter.

This boosts expected 1H FY24 revenue to \$9.2M, representing 31% year-on-year growth.

SRG Global (SRG)

SRG has recently secured a combined \$225M worth of new contracts across the building, health and resources sectors. Details lodged this morning.

Arovella Therapeutics (ALA)

Roadshow presentation lodged this morning.

ALA is conducting the roadshow this week, and traded as high as 16c yesterday after closing out last week at 14c.

Resources
BPM Minerals (BPM)

Proposing to acquire the Durack REE project, located in the WA east Kimberley region.

Details lodged pre-trade.

BPM is resuming from a trading halt, and last traded at 5.7c.

iTech Metals (ITM)

Metallurgical test work on Lacroma graphite project output has achieved 94% graphite concentrate.

Details and commentary lodged this morning.

Red Hill Minerals (RHI)

Paying a \$1.50, 25%-franked special dividend.

Rincon Resources (RCR)

Heritage clearance in hand, enabling drilling to commence at the WA West Arunta project Avalon, K1, K2 and Sheoak targets.

Energy
TerraCom Ltd (TER)

FY24 total coal sales are estimated at 1.57Mt, buoyed by 408,000t sold during the June quarter.

TER had anticipated 1.7Mt worth of sales, however.

Production and hence shipments were delaying during June.

TER expects to sell 1.8Mt of coal during FY25.



Overseas Markets Commentary

Sentiment dropped early across major European, UK and US equities markets overnight.

However, while European and UK markets never looked like recovering, key US indices gained steadily during their second-half sessions.

The S&P 500 reached a new peak settlement, in part buoyed by better-than-feared Tesla quarterly sales.

In the UK and Europe, election qualms for the UK and France, ahead of respective polling tomorrow and Sunday (2nd round), appeared to weigh.

US Federal Reserve chair Jerome Powell told participants in the European Central Bank (ECB) banking forum that the time had not yet come to begin to reduce US interest rates, but that US inflation could be at 2% - 2.5% during 2025.

An initial June CPI reading for the euro zone was reported in line with expectations, and representing little change from May.

Earlier yesterday, South Korea reported June deflation for the month.

For its part, Reserve Bank of Australia (RBA) June monetary policy meeting minutes revealed a potential interest rate cut was not discussed. The pros and cons of holding and raising rates were considered, however.

In overnight **economic data** releases, the **euro zone's** preliminary June CPI inflation estimate represented 0.2% inflation growth for the month the same as recorded for May.

On an annualised basis, inflation was running at 2.5% from 2.6% recorded year-on-year for May.

In the **US**, a July economic optimism index improved to a six-month high of 44.2, from 40.5, well exceeding consensus for a slighter rise to 41.2.

An April job openings report in the meantime included a rise in opportunities following two consecutive months of declines. 8.14M openings were reported from 7.92M for March and against expectations for a further fall for the new month to 7.91M.

Among debt offers, a 10-year government bond auction conducted in Germany delivered a 2.74% yield from 2.51%.

A UK three-year treasury gilt auction resulted in a 4.441% yield from 4.505%.

Earlier, a 10-year government bond auction hosted by Japan produced a 1.091% yield from 1.048%.

Tonight in the US, Federal Reserve monetary policy meeting minutes are anticipated.

A flurry of economic data releases, including June job cuts and private sector employment, weekly new unemployment claims, the ISM June services PMI, and May international trade and factory orders, is also due.

In addition, weekly mortgage applications and 30-year mortgage rates are due for release.

Elsewhere, the euro zone reports May producer prices. Germany conducts a 10-year bond auction.

US equities markets close earlier than usual overnight, ahead of tomorrow's 4 July holiday, when US markets will be closed.

Pre-Open Announcements

Synlait Milk (* SM1)

New banking arrangements include an additional covenant requiring SM1 to achieve \$NZ45M minimum adjusted FY24 EBITDA.

Vonex Ltd (VN8)

In receipt of a please explain from the ASX regarding the timing of the announcement of an agreed scheme of arrangement takeover offer from MaxoTel.

VN8 revealed the 3.75c-per-share offer Tuesday last week (25 June). The company added 94.4% for the session, with 27.9M shares changing hands across 171 trades.

Monday 24 June, however, trade volumes and the number of transactions proved larger than usual and the company closed at its session high.

VN8 has told the ASX that MaxoTel financing remained uncertain until a bank commitment letter was received 25 June. Hence the proposal was not finalised or signed until that date.

VNX said it did not make a prior announcement due to the 'significant uncertainty' regarding debt financing approval and associated terms.

High trading volumes continued through last week. This week, volumes have fallen but remain significantly higher than for the two weeks leading up to the offer announcement.

LiveTiles Ltd (LVT)

Voluntary administrators appointed.

Receivers and manager were appointed December 2023.

The LiveTiles business, apart from My Net Zero and Human Link, was sold to Omnia Digital Workplace in June.

LVT remains suspended from ASX quotation.

Resources

BCI Minerals (* BCI)

The Iron Valley iron ore assets sale has been completed for an initial \$26M payment.

BCI is due to receive \$34.1M in July 2025 plus a mining-commencement-contingent payment of \$12.5M.

Monday, BCI revealed a \$598M, 21-year transshipment services agreement with CSL Australia. The agreement is designed to reduce costs and boost reliability.

BCI closed out last week at 22c, but settled at 24.5c yesterday.

Ramelius Resources (RMS)

Four-year \$175M revolving debt facility in hand from RMS's banking syndicate.

In association, a \$100M facility has expired.

TechGen Metals (TG1)

Boosting MD Ashley Hood's executive services fee by \$25,000 to \$205,000pa, plus superannuation.

Technical director Andrew Jones' executive services fee will

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (COMEX 100 Aug)	2333.4	oz	-5.5	-0.2
Silver (COMEX 5000 Sep)	29.66	oz	0.05	0.2
Platinum	997	oz	19	1.9
WTI Crude (NYMEX Aug)	82.81	bbl	-0.57	-0.7
Brent Crude (ICE EUR Sep)	86.24	bbl	-0.36	-0.4
Iron Ore (NYMEX CHN port;62%Fe)	110.32	t	2.32	2.1
Copper (LME 3mth Evening)	9695	t	42	0.4
Nickel	17050	t	-359	-2.1
Aluminium	2530	t	7	0.3
Lead	2209	t	-16	-0.7
Zinc	2930	t	-7	-0.2
Tin	32965	t	22	0.1

Commodities Commentary

Oil – prices swung overnight, pushed and pulled by near-term supply and demand considerations.

Considerations included an easing of supply concerns could a major Caribbean region hurricane have advanced to significantly impact Gulf of Mexico operations.

Also overnight, the American Automobile Association predicted car travel over the 4 July holiday period would prove 4.8% higher than for the same time last year, and overall travel by 5.2%.

A weekly US petroleum inventories report is due tonight from US government agency the EIA.

Overnight post-US trade, the American Petroleum Institute (API) published a weekly report which included an estimated **9.163MMbbl draw** on US crude stocks last week.

Gold – US treasuries were in greater demand overnight, pushing yields lower, following remarks of higher rates for longer from US Federal Reserve chair Jerome Powell.

The \$US index declined by 0.15%, however.

Base metals – commentary anticipating further China stimulus out of administrative policy meetings later this month, plus production expectations appeared to influence select overnight trade sentiment.

Freeport revealed it expected 5% lower second quarter copper sales than previously forecast, due to export permitting delays in Indonesia.

Caixin's June services PMI for China is expected today and could influence some of tonight's sentiment.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6669	0.0024	0.36
EUR – USD	1.0747	0.0015	0.14

Australian Data Today

ABS	Retail sales	May
ABS	Building approvals	May

rise by \$65,000, on a 0.7 FTE, to \$185,000pa, plus superannuation.

TG1 traded as high as 3.4c yesterday, for the first time since 17 June, following an exploration update.

TG1 had closed out May at 3.9c but June at 2.8c.

Renegade Exploration (RNX)

RNX dropped 40% to settle at 0.9c yesterday, following a pre-trade IOCG find announcement.

Post-trade yesterday, RNX provided clarification on anticipated timing for assay results, together with additional information for some photographs included in the announcement.

MRG Metals (MRQ)

In response to an ASX query, MRQ has noted a significant jump in trade volumes across several sessions following the 13 June announcement of the HMS projects JV.

Yesterday's trade pushed MRQ's price as high as 0.6c, prompting high-volume trade to the tune of ~125.5M shares. 240 transactions had been recorded by the time the price settled at 0.5c. MRQ had last traded as high as 0.5c 14 June.

Discovex Resources (* DCX) / Latitude 66 (* LAT)

DCX expects to be reinstated to ASX quotation on **tomorrow's** open, having completed the acquisition of Latitude 66 Cobalt.

DCX is being renamed Latitude 66, carrying the ASX ticker LAT. Gold and critical minerals exploration assets held in Finland, Queensland and Western Australia.

DCX has raised \$4M at 20c per share, ahead of its reinstatement.

142.6M quoted shares.

Trading Halts

Company	Code	Resuming
Beston Global Food Company	BFC	3 Jul
Cannindah Resources	CAE	3 Jul
Compumedics Ltd	CMP	4 Jul
eCargo Holdings	ECG	4 Jul
Indiana Resources	IDA	4 Jul
Island Pharmaceuticals	ILA	3 Jul
Jindalee Lithium	JLL	3 Jul
Rimfire Resources	RIM	3 Jul
Tivan Ltd	TVN	3 Jul
West African Resources	WAF	4 Jul

Suspensions (selected)

Company	Code	Since
Astral Resources	AAR	2 Jul
Besra Gold	BEZ	19 Jun
Calidus Resources	CAI	1 Jul

**US Data Tonight**

Federal Reserve monetary policy meeting minutes	Jun
ISM non-manufacturing	Jun
Initial jobless claims	29 Jun
ADP private sector employment	Jun
Challenger job cuts	Jun
International trade	May
Factory orders	May
MBA mortgage applications; 30yr rates	28 Jun

Other Overseas Data Today and Tonight

China	Caixin services PMI	Jun
Japan	Services PMI (final)	Jun
UK	Services PMI (final)	Jun
Germany	Services PMI (final)	Jun
Euro zone	Producer prices	May
Euro zone	Services PMI (final)	Jun

Need More Information?

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Calima Energy	CE1	3 Jul
NSX Ltd	NSX	27 Jun
OZZ Resources	OZZ	20 Jun
Power Minerals	PNN	2 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GNC	Today	24	100	3.15
QRI	Today	1.17	0	8.78
CAM	Tomorrow	1.35	100	6.61
CKF	Mon	15.5	100	3.08