

Markets

SFE 200 Futures (9.30am AEST)	7265	2	0.0
NZX 50	12434	4	0.0
DJIA Futures	34550	-17	-0.1
S&P 500 Futures	4188	-4	-0.1
NASDAQ Futures	13511	-18	-0.1

Local Markets Commentary

The Australian market commences today's trade with an \$A depreciation and material domestic data by late morning, ahead of influential US economic indicators tonight.

Overnight international equities trade leads are again weak.

Prices for most major commodities settled lower.

Locally today, the Australian Bureau of Statistics (ABS) is due to report on April **lending finance**, including for homes, **11.30am** AEST.

A national cabinet meeting is expected to deliver details of new proposals regarding **Covid-19** vaccination programs and quarantine arrangements.

In overnight commodities trade, Brent and WTI **crude** each settled fewer than US\$/bbl lower.

US **gold** futures fell.

Qingdao **iron ore** (CFR China, 62% fines) rose \$US1.80/t to \$US210.99/t.

Nymex iron ore (CFR China, 62%) picked up 1.5% to \$US208.

LME **copper** and other key base metals tumbled.

The **\$A** dropped to US76.60c, after trading at US77.30c early yesterday evening.

Meanwhile G7 finance ministers are meeting in London from later today through Saturday (UK time), ahead of a leaders' forum late next week.

New Zealand's markets will be closed Monday due to a public holiday.

In Australia, Western Australia will observe a public holiday Monday.

Overseas Markets.

INDEX	CLOSE	+/-	%
Dow Jones	34577	-23	-0.1
S&P 500	4193	-15	-0.4
NASDAQ	13615	-142	-1.0
FTSE 100	7064	-44	-0.6
DAX 30	15633	30	0.2
Shanghai Comp	3584	-13	-0.4

Overseas Markets Commentary

Early sentiment proved weak across European, UK and US equities

Australia – April lending– 11.30am AEST
Today's Stock Watch
The Reject Shop (TRS)

Expecting \$776M - \$778M FY21 sales, and \$8M - \$10M EBIT.

Trading conditions remain challenging.

In addition, TRS has appointed former Lion Nathan national marketing director and previous McDonald's Australia marketing VP Margaret Zabel as an independent non-executive director, effective today.

9Spokes Ltd (9SP) / Virgin Money UK (VUK)

9SP has secured a three-year, \$US2.85M contract with VUK.

Centuria Capital Group (CNI) / Primewest Group (PWG)

PWG's founding directors have accepted CNI's takeover and merger proposal.

Meanwhile, CNI has extended the offer period to 24 June.

PWG security holders representing 76% of PWG securities have accepted the offer.

Decmil Group (DCG)

Anticipating \$300M - \$320M revenue, following some Covid-19 – related delays to project starts and contract awards.

Expecting \$6M - \$10M FY21 EBITDA.

In addition, expecting a joint Australian Government-Western Australian Government late-year contract award to an alliance of which DCG is a member.

Exopharm Ltd (EX1)

Russia's patent office has granted a patent for EX1's LEAP (Ligand-based Exosome Affinity Purification) technology enabling the large-scale purification of exosome medicines.

The patent expires 22 December 2037.

Australian Foundation Investment Company (AFI)

Top-25 investments as at 31 May lodged post-trade yesterday.

ASX Ltd (ASX)

May activity report, including a 21% financial-year-to-date increase in capital raised, lodged pre-trade.

Resources
Gascoyne Resources (GCO)

Expecting a \$A65M - \$A90M FY21 WA Dalgarranga gold project impairment.

Revising FY21 production guidance from 70,000oz – 80,000oz to 76,000oz – 78,000oz. In addition, revising forecast AISC to \$A1275/oz - \$A1325/oz from \$1200/oz - \$1300/oz.

Mako Gold (MKG)

Heralding Napié project Tchaga prospect RC and diamond drilling results.



markets overnight, but most key indices were dragged variously higher by some positive economic indicators.

A sharp rise for the \$US was attributed to some US employment data, in particular, ahead of the monthly workforce statistics report tonight.

The data appeared to fuel speculation of sooner-rather-than-later US monetary policy tightening.

In geopolitical news, the US president issued an executive order to ban new US investment from 2 August in 59 companies deemed associated with China defence and surveillance activity.

Investors already holding stocks in the relevant companies can offload their interests over 12 months.

Among a swag of overnight **data** releases, the **euro zone's** 55.2 final May services PMI represented a 4.7-point increase for the month.

Germany's final May services PMI confirmed a 2.9-point rise for the month to 52.8.

In the **UK**, the May services sector activity index represented a 1.9-point increase for the month.

Meanwhile, outlet surveying determined average daily fuel sales for road vehicles were at their highest since February 2020 this past week.

In the **US**, the ISM's **services sector activity** index rose to 64 from 62.7, following forecasts of a slighter increase to 62.8. The prices subcomponent came in at 80.6 from 76.8, but the employment sub-index fell to 55.3 from 58.8.

A **private sector employment** report calculated the addition of 978,000 jobs during May, following forecasts of 600,000, and against April's 654,000 new private sector jobs.

Weekly **new unemployment claims** tallied 385,000 following 405,000 the previous week.

A May **job cuts** report estimated the loss of 24,586 positions, against 22,913 in April and following forecasts of an additional 20,000 losses.

Yesterday afternoon, a Japan 10-year government bond auction delivered a 0.078% yield from 0.070%.

This was followed by a similar 10-year auction in France, which produced 0.16% from 0.13%.

Tonight in the **US**, May workforce figures, including jobs created, wages and the unemployment rate, are due.

In addition, a conference speech by **US Federal Reserve** chair Jerome Powell is also anticipated.

Elsewhere, the euro zone reports April retail sales.

European Central Bank president Christine Lagarde is also scheduled to speak publicly.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1873.3	oz	-36.6	-1.9
Silver (NY) (Jul)	27.48	oz	-0.73	-2.6
Gold (LON) (2 Jun)	1903	oz		
Platinum	1156	oz	-30	-2.6
WTI Crude (NYMEX Jul)	68.81	bbl	-0.02	-0.0
Brent Crude (ICE EUR Aug)	71.31	bbl	-0.04	-0.1

Pre-Open Announcements

Resonance Health (RHT)

CEO Alison Laws has resigned for family reasons, effective early July.

In association RHT director and consultant Mitchell Wells has been appointed as an executive director.

Mr Wells also recently filled an interim company secretary position.

RHT has invited Ms Laws to consult to the company when able.

Boart Longyear (BLY)

As anticipated, Moodys' Investor Services has lowered several BLY ratings.

BLY expects the company debt rating outlook to improve following the proposed recapitalisation.

Trajan Group Holdings (* TRJ)

Analytical and life sciences instrument specialist scheduled to list on the ASX 10.30am AEST **Monday** following a \$90M IPO at \$1.70 per share.

129.55M quoted shares.

FOS Capital (* FOS)

Industrial lighting specialist scheduled to list on the ASX 11am AEST **Monday** following a \$3M IPO at 25c per share.

12M quoted shares/units.

Resources

Adriatic Metals (* ADT)

Urban planning permit in hand for the Vares project Rupice underground deposit, Bosnia.

Southern Hemisphere Mining (SUH)

Los Pumas manganese project presentation lodged post-trade yesterday.

Liontown Resources (LTR)

Moora and Koojan JV (Au-Cu-PGE-Ni) projects presentation lodged post-trade yesterday.

LTR is proposing to demerge the projects and to list these.

Miramar Resources (M2R)

Investor presentation lodged post-trade yesterday.

Metal Tiger (MTR) / Artemis Resources (ARV)

MTR is participating in ARV's \$7M fundraiser, subscribing for 12.5M ARV shares at 6c each, for \$A750,000 consideration.

MTR anticipates holding 1.5% of ARV following the capital raising.

Trading Halts

Company	Code	Resuming
Castillo Copper	CCZ	4 Jun



Iron Ore (NYMEX,CHN,62%)	208.00	t	3.04	1.5
Copper (LME Ind)	9817	t	-335	-3.3
Nickel	17870	t	-371	-2.0
Aluminium	2406	t	-41	-1.7
Lead	2170	t	-53	-2.4
Zinc	2977	t	-108	-3.5
Tin	30515	t	-320	-1.0

Commodities Commentary

Oil – overnight trade appeared mostly influenced by new data and a sharply higher \$US.

In price moves, WTI crude traded as high as \$US69.40/bbl early, for a second consecutive session achieving prices not seen since October 2018.

A weekly US petroleum inventories report, published overnight by government agency the EIA, included a 5.08MMbbl drop in US stored crude last week, but petrol stocks increased by 1.5MMbbl and distillate inventories by 3.72MMbbl.

Net crude imports averaged 247,000bbl/d.

Tonight, a US petroleum drill rig report is due.

Gold – \$US strength (ICE \$US +0.7%) coupled with cryptocurrency gain, detracted from overnight gold interest.

Another lower (this time by 20,000) reading for US weekly new unemployment claims, plus better-than-anticipated May public sector hiring, supported views the US Federal Reserve would move to tighten policy sooner rather than later.

A speech by US Federal Reserve chair Jerome Powell and the release of US national May employment statistics, scheduled for release tonight, are expected to influence some end-of-week trade considerations tonight.

Base metals – a \$US jump bruised overnight LME trade sentiment, but other factors were at play, including new China data, US data which fuelled monetary policy tightening fear, and some profit-taking.

At least one analyst noted for those taking profits there were others happy to buy at the lower prices, in particular *copper* below \$US9820/t.

Meanwhile, China research firm Antaika forecast higher domestic primary aluminium production through to 2024.

A Caixin-calculated May services PMI for China, reported yesterday, fell to 55.1 from 56.3, following forecasts of 55.9.

China's May trade figures are anticipated Monday and could produce some additional caution during tonight's end-of-week trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7661	-0.0072	-0.93
EUR – USD	1.2131	-0.0066	-0.54

Australian Data Today

ABS	Lending indicators	Apr
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Straker Translations	STG	4 Jun
1414 Degrees	14D	7 Jun
Bryah Resources	BYH	7 Jun
CZR Resources	CZR	7 Jun
IXUP Resources	IXU	7 Jun
Riedel Resources	RIE	7 Jun

Suspensions *(select)*

Company	Code	Since
CI Resources	CII	3 Jun
DomaCom Ltd	DCL	11 May
Immuron Ltd	IMC	31 May
Metro Mining	MMI	27 May
Vonex Ltd	VN8	3 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ALQ	Mon	14.6	70	1.17
MHI	Mon	1	0	0.00
OCA	Mon	1.65	0	1.46
IFT	Tue	10.34	0	2.15
AHY	Fri (11 Jun)	2	100	2.12
CIM	Fri	60	20	0.00

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	ASX	May
Wed	KP2	AGM (NB: 6.30pm)
Thu	ROG	AGM
Fri (11 Jun)	MMM	AGM (NB: 5pm)

**US Data Tonight**

Workforce (incl job, wages, unemployment)	May
Factory orders	May

Other Overseas Data Today & Tonight

Japan	Household spending	May
UK	Domestic vehicle sales	May
UK	Construction PMI	May
Germany	Construction PMI	May
Euro zone	Retail sales	Apr
Euro zone	Construction PMI	May

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