

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	7162	-11	-0.2
<b>NZX 50</b>	12722	-37	-0.3
<b>DJIA Futures</b>	34397	-63	-0.2
<b>S&amp;P 500 Futures</b>	4329	-5	-0.1
<b>NASDAQ Futures</b>	14763	-13	-0.1

**Local Markets Commentary**

The Australian market commences mid-week trade with an overnight \$A depreciation, new material domestic data in hand pre-trade, and policy comments from the Reserve Bank of Australia (RBA) governor after yesterday's ASX trade, ahead of the release of US Federal Reserve policy meeting minutes tonight.

Overnight international equities and key commodities sentiment proved mostly negative.

As the ASX closed yesterday, RBA governor Philip Lowe commenced a Q & A during which he asserted the bank's 2% - 3% inflation target needed to hold in that range for several quarters and that to be sustained >3% wages growth was likely required.

This was the main reason the RBA was not foreseeing any rate increases during 2021 - 2023.

Dr Lowe added that, 'Any increase in the cash rate will take place after bond purchases have ended'.

**Locally** today, the RBA releases monthly card transaction statistics at 11.30am AEST.

The Australian Bureau of Statistics (ABS) launches three new publications, addressing **job mobility**, **potential workers** and **underemployed workers**.

The figures are from February and will be released also at 11.30am AEST.

Pre-trade, AiG has reported a **57.8** June **services sector activity** index. This from 61.2 for May, hence representing a slowdown in recovery growth.

Post-ASX trade, the RBA reports monthly official reserve assets.

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

**Regionally**, China is expected to report June foreign exchange reserves anytime from this evening.

In overnight commodities trade, **oil** fell.

US **gold** futures recorded a further gain.

Qingdao **iron ore** (CFR China, 62% fines) rose US54c/t to \$US222.36/t.

Trading for the first time this week, Nymex iron ore (CFR China, 62%) was propelled back beyond \$US217.50/t.

LME **copper**, **nickel** and **aluminium** were pushed decisively lower.

The **\$A** dropped to ~US74.90c after approaching US75.80c early yesterday evening.

\* Mineral exploration listing – 11am AEST – AS2 \*

\* Mineral exploration listing – midday AEST – BUR \*

**Today's Stock Watch**
**MyDeal.com.au Ltd (MYD)**

FY21 gross sales grew 111% to \$218.1M.

The active customers tally rose 83.1% to 894,225.

MYD dropped 7.25% yesterday, settling at 64c.

**CleanSpace Holdings (CSX)**

Respiratory protection equipment specialist CSX is anticipating \$49.9M FY21 revenue, bolstered by just \$10.2M 2H revenue, during a 'challenging second half operating environment'.

Expecting \$17M - \$17.2M full year EBITDA.

\$38.2M cash in bank.

**PharmAust Ltd (PAA)**

Storage testing has demonstrated a long shelf-life for monepantel tablets. Details lodged pre-trade.

**Uscom Ltd (UCM)**

Russian regulatory approval in hand for the commencement of USCOM 1A cardiac monitor sales.

**Pinnacle Investment Management Group (PNI)**

Anticipating \$19.5M worth of performance fees for FY21, \$8.4M of these earning in 2H FY21.

Planning to lodge full year results 5 August.

**Resources**
**Carawine Resources (CWX)**

Thunderstruck JV Hercules gold prospect early RC drilling results indicate a 60m down-dip mineralisation extension, plus multiple lode zones at depth.

Details lodged this morning.

Ongoing RC drilling, involving 24 holes within the current 26-hole program.

Diamond drilling (14 holes) commencing this month.

**Kirkland Lake Gold (KLA)**

Heralding Ontario, Canada Macassa Mine underground exploration results, which indicate high-grade mineralisation along strike and up and down-dip.

**Energy**
**Woodside Petroleum (WPL)**

WPL has completed the ~\$US126M acquisition of FAR Ltd's (ASX: FAR *suspended trade*) participating interest in the offshore Sengal Sangomar JV.

A further maximum \$US55M may become payable.

WPL intends to sell down up to 42% of its subsequent 82% participating interest by year's end.

**Overseas Markets.**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34577	-209	-0.6
<b>S&amp;P 500</b>	4344	-9	-0.2
<b>NASDAQ</b>	14664	24	0.2
<b>FTSE 100</b>	7101	-64	-0.9
<b>DAX 30</b>	15511	-151	-1.0
<b>Shanghai Comp</b>	3530	-4	-0.1

**Overseas Markets Commentary**

Sentiment waned across most major European, UK and US equities markets overnight, but key US indices closed well off session lows.

US equities traded for the first time this week, meaning investors were reacting to geopolitical commentary plus OPEC+ and Covid-19 developments since overnight Friday trade.

US-listed companies headquartered in China generally suffered following further moves from China's internet regulator, this time specifically impacting Didi.

In addition, the UK and nations in Asia, Europe and South America had reported notable increases in Covid-19 daily case tallies since Friday's settlement for US markets, fuelling international economic recovery fragility concern.

In overnight **data** releases, **euro zone** May retail sales rose 4.6% for the month after a 3.9% April fall.

Against May 2020, sales were 9.0% higher.

The ZEW July economic sentiment index tumbled to 61.2 from 81.3 however.

The region's June construction PMI remained flat at 50.3, following forecasts for 51.1.

**Germany's** May factory orders dropped 3.7% for the month, against expectations of a 1.5% increase on top of a 1.2% April rise.

The ZEW economic sentiment index for Germany fell to 63.3 from 79.8.

The current conditions sub-component index jumped to 21.9 from -9.1, however.

The national June construction PMI improved to a nonetheless remaining contractionary 47.0 from 44.5.

In the **UK**, the June construction PMI rose to 66.3 from an already robust 64.2, following expectations of a pullback to 62.8.

Meanwhile, a 10-year treasury gild auction produced a 0.819% yield from 0.940%.

Yesterday afternoon in **Japan**, a 30-year bond auction delivered a 0.68% yield from 0.693%.

In the **US**, the June ISM influential services sector activity index fell to 60.1 from 64.0, but despite undershooting expectations, the new reading remained within a healthy expansion range.

The employment sub-component index dropped to a contractionary 49.3 however, from 55.3.

Markit finalised its June services PMI estimate at 64.6, representing a 5.8-point fall for the month.

Meanwhile, the release of the keenly anticipated IBD/TIPP

**Pre-Open Announcements****Roto-Gro International (\* RGI)**

RGI subsidiary Roto-Gro World Wide (Canada) is in receipt of a \$US380,000 rotational garden systems and plant nutrient management system purchase order from Wolf Island Cannabis. In addition, Wolf Island is paying a 50% non-refundable deposit.

**RooLife Group (RLG)**

RLG has raised \$1.702M in a 2.3c-per-share private placement, boosting cash holdings to \$5.5M and securing a new substantial shareholder.

RLG is resuming from a trading halt having traded at 2.4c – 3.1c last week.

**Lark Distilling (LRK)**

Investor presentation lodged post-trade yesterday.

**Butn Ltd (BTN)**

Business transaction financing specialist completed its ASX listing yesterday, following a \$20M IPO at 50c per share.

Opened at 54c and traded at 50c – 55c before settling on par at 50c.

2.7M shares changed hands across 316 transactions.

65M quoted shares.

**Resources****Askari Metals (\* AS2)**

Mineral explorer scheduled to list on the ASX **11am** AEST, following a \$5.729M IPO at 20c per share. 30.156M quoted shares.

**Burley Minerals (\* BUR)**

Mineral exploration company scheduled to list on the ASX **midday** AEST, following a \$6M IPO at 20c per share. 34.32M quoted shares.

**BHP Group (\* BHP)**

Geof Stapledon has resigned as a BHP Group Ltd and BHP Group Plc company secretary, due to his appointment as BHP Group ESG officer.

In association, BHP has appointed Prakash Kakkad as a company secretary of BHP Group Ltd and BHP Group Plc.

In addition, BHP has appointed John-Paul Santamaria as a BHP Group company secretary.

Stefanie Wilkinson remains a company secretary of BHP Group Ltd and BHP Group Plc.

**Caspin Resources (\* CPN)**

Update and Q&A webinar scheduled to commence **11am** AEST. Access details lodged post-trade yesterday.

CPN dropped 46.9% Monday, after releasing WA Yarawindah Brook Ni-Cu-PGE project drilling results, and 3.38% yesterday, settling at \$1.00. CPN closed out last week at \$1.95.

**Neometals Ltd (\* NMT)**

WA goldfields Mt Edwards nickel project overall resources



economic optimism index was pushed back until tonight.

**Tonight** in the US, June Federal Reserve policy meeting minutes are keenly anticipated, together with a May job openings report.

Weekly mortgage applications are also due.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1794.2</b>	oz	10.9	0.6
<b>Silver (NY) (Sep)</b>	<b>26.17</b>	oz	-0.33	-1.2
Gold (LON)	1786	oz		
<b>Platinum</b>	<b>1087</b>	oz	-3	-0.3
<b>WTI Crude (NYMEX Aug)</b>	<b>73.37</b>	bbl	-1.79	-2.4
<b>Brent Crude (ICE EUR Sep)</b>	<b>74.53</b>	bbl	-2.63	-3.4
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>217.58</b>	t	5.12	2.4
<b>Copper (LME Ind)</b>	<b>9347</b>	t	-168	-1.8
<b>Nickel</b>	<b>18060</b>	t	-352	-1.9
<b>Aluminium</b>	<b>2510</b>	t	-44	-1.7
<b>Lead</b>	<b>2292</b>	t	5	0.2
<b>Zinc</b>	<b>2930</b>	t	-17	-0.6
<b>Tin</b>	<b>31650</b>	t	5	0.0

### Commodities Commentary

**Oil** – potential OPEC+ non-compliance with production curbs appeared to impact overnight trade, following Monday's cancelled meeting and no alternative date revealed.

In addition, the US is expected to increase production in response perceived demand as Covid-19 restriction easing broadens.

A former US energy secretary confirmed price uncertainty, offering that prices could jump and/or collapse in the near-term.

Meanwhile, the US Gulf coast remained on watch as a deadly approaching tropical storm threatened to strengthen into a hurricane.

Weekly US petroleum inventories, as calculated by government agency the EIA, are due tomorrow night.

**Gold** – early falling US bond yields coupled with generally weak international equities sentiment supported overnight gold interest.

Central bank views could swing sentiment through the second half of the week, with US Federal Reserve June policy meeting minutes due tonight, and the European Central Bank's overnight tomorrow.

**Base metals** – an ultimate \$US move higher, oil price fall and drop in Germany factory orders were cited as the major influences on overnight base metals sentiment.

**Lead** was seen remaining in demand due to a surge in demand to replace domestic non-electric vehicle batteries which were failing following extended and repeat lockdown periods.

Exchange Rates			
CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7494	-0.0082	-1.09
<b>EUR – USD</b>	1.1822	-0.0061	-0.52

have been updated to 10.22Mt @ 1.6% Ni, for 162,560t of nickel.

Breakdown statistics for the 11 component resources also lodged pre-trade.

### Eclipse Metals (\* EPM)

Greenland Government approval in hand for Ivittuut rare earths project initial fieldwork.

### Strandline Resources (STA)

Investor presentation lodged pre-trade.

### Ragusa Minerals (RAS)

RAS has appointed accountant and corporate government specialist Melanie Ross as a non-executive director, effective immediately.

Michael Melamed has resigned as a RAS non-executive director.

### Walkabout Resources (WKT)

WKT's recent entitlement issue raised an initial \$4.018M.

An underwriting agreement boosted the overall raising to \$7.62M.

### Monger Gold (\* MMG) / Torian Resources (TNR)

Mineral exploration company and TNR spinoff MMG completed a successful ASX listing yesterday, following a \$5M IPO at 20c per share.

Opened at 26c and traded at 25.5c – 28.5c before settling at 28c.

~5.38M shares changed hands across 474 transactions.

251M quoted shares.

TNR held 10.71% on listing.

### Locksley Resources (\* LKY)

NSW copper and gold-focused explorer scheduled to list on the ASX 11am AEST **tomorrow**, following a \$5M IPO at 20c per share.

~28.95M quoted shares.

### Pacgold Ltd (\* PGO)

Gold explorer scheduled to list on the ASX listing 11.30am **tomorrow**, following a \$6M IPO at 25c per share.

32.42M quoted shares.

### Energy

### Energy World Corporation (\* EWC)

EWC subsidiary Energy Equity Epic (Sengkang) has secured a joint operation agreement with Indonesia's PT Energi Maju Abadi for the Sengkang PSC.

The PSC partnership will ultimately move to a 50:50 arrangement.

### Trading Halts

Company	Code	Resuming
Aldoro Resources	ARN	8 Jul

**Australian Data Today**

AiG	PSI (services PMI)	Jun
RBA	Card transactions	Jun
ABS	Job mobility	Feb
ABS	Potential workers	Feb
ABS	Underemployed workers	Feb
RBA	Official reserve assets (4.30pm AEST)	Jun

**US Data Tonight**

Federal Reserve policy meeting minutes	Jun
JOLTS job openings	May
IBD/TIPP economic optimism	Jun
MBA mortgage applications	2 Jul

**Other Overseas Data Today & Tonight**

<b>Japan</b>	Leading economic index (prelim, 3pm AEST)	May
<b>Germany</b>	Industrial production	May

**Need More Information?**

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

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Cirralto Ltd	CRO	8 Jul
Fertoz Ltd	FTZ	8 Jul
Mako Gold	MKG	8 Jul

**Suspensions** *(select)*

Company	Code	Since
Gold Mountain	GMN	21 Jun

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>CKF</b>	Today	<b>12.5</b>	100	1.98
<b>GNC</b>	Today	<b>8</b>	100	1.37
<b>SKI</b>	Today	<b>6.25</b>	0	5.87
KAT	13 Jul	0.5	100	1.92
TRA	13 Jul	5.63	85	6.54
DBF	15 Jul	6.2	0	0.00
EZL	19 Jul	13.5	100	4.25